

## Understanding the Concept of Strategic Intent

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### Abstract

This conceptual paper is a review of the concept of strategic intent in relation to the strategic management theories. It reviews literature on strategic management theories stemming from the origin of the word strategic management to the current discussion on strategic intent. The concept of strategic intent inspires the management leadership as the way to bring future into current thinking thus allowing them to reorganize the organization for future competition by developing products, core competencies, systems and relationship that will give them a competitive edge. The paper has identified that strategic intent goes beyond the strategic planning to get a deeper imagination of where the organization should be 10 – 20 years into the future. This article is suggested to be an additional work into the understanding of strategic intent concept as one of the emerging issues in management

**Keywords:** Strategic intent, strategic management, strategy

### 1. Introduction

The topic of this article is the Concept of Strategic intent. Strategic Intent was first discussed by Hamel and Prahalad in 1984 but it gained momentum when it was first published by the Harvard Business School in 1989 (Hamel and Prahalad, 1989). This article briefly examines the evolution of the strategic intent tracing the concept from Strategic Management. It analyses literature linking strategic intent to strategic management and concludes by suggesting the adoption of the article into the discourse of strategic intent.

#### 1.1 The background of Strategic Management

Strategic Management can be traced back into the Greek history where the word strategy is derived. Strategy comes from a Greek word *Strategos* meaning “a general” with its root meaning “army” and “lead” (Bracker, 2001). The management science practice is believed to have been in existence for as long as the human being and can be traced back to 5000 BC but came to maturation with Frederick Winslow Taylor in 1911, Henri Fayol in 1916, and Max Weber in 1947 (Celic and Dogan 2011). The Taylor, Fayol and Weber work is commonly referred to classical theories which is a viewpoint that emphasizes finding ways of managing work and organization more efficiently (Bartol and Martin, 1991)

**Taylor** was the first to discuss the subject of management science by developing four basic principles: 1) scientifically studying each part of the work and develop best method of performing the task and not working haphazardly. 2) Carefully selecting worker, training him / her to perform the task in a scientifically developed method not in an inconsistent manner and incoherent way. 3) Corporate fully with workers to ensure that they use the proper method and 4) Divide work and responsibility so that management are responsible for planning and the worker is responsible for executing (Barton and Martin, 1991, Celic and Dogan 2011). In 1916 **Henry**

**Fayol** took the work of Taylor further by transposing the small enterprise concept into a large enterprise. He discussed the concept of analyzing the whole organization to develop good organizational design and management principles such as division of labor and specialization, authority and responsibility and discipline (Celic and Dorgan 2011) the major shift between Taylor and Fayol’s work is that Fayol was more keen on the human factor than Taylor.

Max Weber was thought to have a bureaucratic approach to his management thinking away from Taylor and Fayol’s approach. The approach emphasizes on the need for organizations to operate in a rational manner rather than relying on the management or the owner (Bartol and Martin, 1991, Celic and Dorgan, 2011). However, the three are categorized as classical approaches because they were formed in the same environmental condition.

Thereafter other authors have developed concepts and definitions of strategic management from the time of Neuman and Morgenstaern in 1947 (The game theory) to Schendel and Hofer in 1979 (Bracker, 1990)

**1.2 Definitions of Strategic Intent and**

Following the introduction of the subject of strategic intent by Hamel and Prahalad (1987), authors have come up with various definitions trying try and create an understanding. The key

Author	Definition for intent	Subject in possession of the intent
Parahalad & Doz, (1987)	Goal for which one cannot plan, long-term orientation: Intent is used here to describe long term Firms action and intent discussed goals and aims rather than detached only in singular form plans	Top management with no mention of employees
Hamel and Prahalad (1989)	Shared obsession to win	All organization members
Hamel and Prahalad (1994)	A dream, an emotion, distillation of strategy, a goal, a mission	All organization members
Burgelman (1994)	A prophesy, a foresight by C.EO	C.E.O
Burgelman and Grove, (1996)	Top management decision	C.E.O
Hart (1992)	Mission (Superior goal) for the organization	Multiple organization members
Noda and Bower (1996)	Top management viewpoint on business, (Corporate context)	Top management (showing intent in bottom up ideas)
Lovas and Ghoshal (2000)	A statement of goals articulated by the top management	Top management

### **1.3 Strategic Management and Strategic Intent Link**

As management science developed, the concept of Strategic management came into play. From the 1960's the subject of strategic management became a subject of study and discussion in management practice and business schools, building on the Taylor, Fayol and Weber's work. Formal management arises from human trying to meet their needs that has found it necessary to find a fit in coexistence (Celic and Dogan 2011).

The new paradigm of strategic management has given rise to discussions to subjects such as strategic intent, strategic fit and knowledge management among other subjects. Strategic management links with Strategic Intent on the fact that strategic management helps organization develop the ability to deal with uncertain future by defining a procedure for accomplishing goals (Bracker 1990). The earliest discussion on strategic intent describe strategic intent as the long term goal and aims of an organization Prahalad and Doz (1987). Strategic leaders take a long term (10-20 years) view of their purpose and goals set out the way getting there which they referred to as strategic intent (Hamel and Prahalad 1989). Intent may be more appropriate for leaders of organizations in dynamic global environment. Strategic intent is a useful concept for purpose of continuity in an organization adopting internal and external pressure. It represents a proactive mode of strategizing, a symbol of being futuristic (Mantere and Sillince, 2007). Strategic intent is distinguished from other similar concepts such as strategic fit (Hamel and Prahalad (1994). In strategic intent, they introduce aspects of flexibility than traditional strategic management models.

Strategic intent captures the essence of winning, is stable over time, and sets goals that require personal commitment. Strategic intent envisions a desired leadership position and establishes the criterion organizations will use to chart its progress (Smith 1994). Strategic intent is an ambitious and compelling attempt that provides emotional and intellectual energy for the future. Strategic intent should not be confused with two other words used in strategic management namely vision and goal. Whereas goal is futuristic it differs from strategic intent in that strategic intent is independent of the strategic plan and is not precise in its nature (Romar, 2009)

### **1.4 Evolution of Strategic Intent Concept**

Hamel and Prahalad concept on strategic intent is among the latest thinking in this century stemming from strategic management. It has evolved from the management science to strategic management and now the focus in looking at the future. Hamel and Prahalad (1989) confidently discusses the subject by giving a model of the process of developing strategic intent and linking it with other recently developed theories such as foresight, strategic architecture and core competence to craft the future.

In their book competing for the future Hamel and Prahalad discuss the importance of strategic intent in organization's endeavor to build their future. Strategic intent differs from strategic planning in that strategic plan focuses on the means to the end while strategic intent defines the end leaving room for strategic planning process to focus on the means (Hamel and Prahalad 1989). Strategic intent also differs from goals and vision because goals answer the question "what is to be achieved" and "when" while vision is defined by sets of desired goals. Strategic intent is not limited by the resources and the viability of the desired goals this making it different (Manterre and Sillince 2007).

### **1.5 Key Drivers to the Evolution of Strategic Intent**

Intent is a psychological concept and is held by a conscious subject (individual) capable of forming intentional states. These mental states should be connected and realized within an external reality such as a business (Searle, 1983:67, Mantere and Sillince 2007:407). The desire for leaders to provide direction gives rise to strategic intent which is driven by the need to set long term goals, strategies for the organization and keeping ahead of competition thus providing long term direction to the managers. (Hamel and Prahalad 1994, Burgelman and

Grove 1996). The intention is to go beyond strategic planning to understand the future oriented agency giving room for interpretation and improvisation in determining how that intent is realized (Mantere and Sillince, 2007).

With the above background it is clear that strategic intent goes beyond the mere interest of developing a strategic plan, working on the organizational mission, vision and goal. It is to envision a desired leadership position and setting the criterion the organization will use to chart its progress (Hamel and Prahalad 1989). The desire to win and be stable over time motivates the leaders to engage in strategic intent, making them go beyond the imaginable or thinking the unthinkable to create commitment to the organization’s future, setting competitive priorities for the organization, and helping in shaping the firm’s core competencies to compete in that desired future (Smith, 1994, Romar 2009).

**2.1 Strategic intent Model and Conceptualization**

Hamel and Prahalad (1994) developed a strategic intent model that links the various components of strategy to the desired future. In their model, Hamel and Prahalad discuss four strategic components that together provide stepping stones to the desired future. These are foresight, strategic architecture, strategic intent and core competencies (Figure 1.1). According to this model, the duo envisions leaders developing the future of their industry, new markets, new values, from their stand point. This challenges the status quo or improving present products or markets. They state “ *first of all, having a good ‘Foresight,’ secondly, designing a ‘Strategic architecture’; and finally creating ‘Strategic intent’ and rebuilding ‘Core competencies’, which will pull a corporation to the future*” (Hamel and Prahalad, 1994)

Foresight is the prescience about the shape of tomorrow’s opportunities defined by the manager such as the type of customer benefit, and new ways of delivering customer benefit. This is explained forgetting the current market situation and having the future in mind. The fact that the manager temporarily forgets about the current situation helps him to develop a structure that Hamel and Prahalad called strategic Architecture. They define Strategic Architecture as the real future from the foresight. They argue that instead of organizations engaging in strategic planning the organization benefits greatly by crafting a strategic Architecture which new benefits or functionalities (not present products) will be offered for the future. The strategic architecture fits into the strategic intent which is defined as something ambitious and compelling, comparing the strategic architecture to the head and the strategic intent to the heart of a body. Strategic intent defines without precision the future of the organization (Romar, 2009)

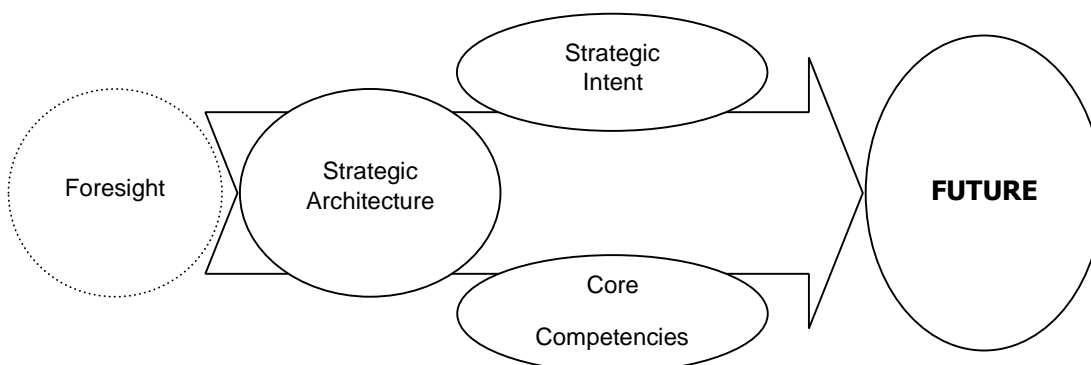


Fig. 2.1 Strategic Intent Model, Hamel and Prahalad, 1994

This gives way for the organization to develop core competencies that will lead to the future. Prahalad and Hamel, (1990) state that, “core competencies are the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies.” They emphasize that core competence should provide potential access to a wide variety of markets, make a significant contribution to the perceived customer benefits of the end product, and be difficult for competitors to imitate.

The success of companies’ strategic intent depends on the Chief Executive Officer and top management who must appreciate the managerial responsibility to initiate the “future” thinking process and designs the architecture that inspires the organizations members to higher levels of achievement (Burgelman 1994, Burgelman and Grove, 1996, Hart 1992).

## Conclusion

This paper has made reviewed literature on strategic intent tracing it back from the historical background of strategic management linking it to the current discussion in the scholarly field.

This had identified the evolution of Strategic intent as a concept. The paper has reviewed the key drivers of strategic intent identifying the desire for the organization to win and remain ahead of competition as the key motivation to strategic thinking. We have reviewed the model provided by Hamel and Prahalad shows the inter-link between the other components of strategic management such as strategic architecture and core competencies. It is suggested that this work be viewed as an additional contribution to the understanding of this relatively new concept in the field of strategic management. More reviews can be done to identify the application of this concept in the industry and the relationships with other concepts in strategic management.

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