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Strategic Thinking, Strategies and Power in Contemporary Society

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Abstract: Strategy, as a reflection in a more or less military context, has been and remains a permanent feature of human experience both historically and today. At the level of people, we draw a lot of strategies, in various contexts, because we do not have certainties about the future, we must have a cautious attitude, imagine scenarios regarding the unfolding of facts, processes, events, etc. We build strategies because our human condition demands/imposes this for individuals, groups of people, organizations of various types and countries/nations. The strategy is an overview of what an organization or individual wants to achieve, along with a set of goals to make it possible, but it is not the details of the plans by which the goals are implemented. At the same time, the strategy is how nations, states, leaders and elites seek to shape their advantageous position at a given time, following the context that ensures their security and protects their interests.

Keywords: planning; knowledge; innovation; business environment

1. Introduction

The competitive landscape can change quickly for any organization. New trends can appear quickly and they require companies/countries to take advantage of them and/or mitigate the negative influences of environmental factors so that the entity remains in a competitive position as best as possible. By incorporating daily strategic thinking into their work and life routine, companies can become more adept at anticipating, forecasting, and seizing opportunities.

During an organization's annual planning process, leaders often compile, analyze, and synthesize external and internal data and ideas to develop their strategic intent and build a strategic narrative. This document will guide the company into the future for a defined period of time. Leaders then choose and plan specific actions that will carry out these strategic initiatives.

During strategic planning, the manager will need to communicate the ideas of subordinate staff and receive feedback from them. It will then use effective channels to communicate to all employees a compelling view of the completed plan to keep them focused on their contribution to the plan (Horwath, 2020, p. 37).

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2. About Strategic Thinking and Prevention

Strategic thinking is simply an intentional and rational thinking process that focuses on analyzing the critical factors and variables that will influence the long-term success of a business, team, or individual. This includes the careful and deliberate anticipation by a person, organization or country/nation of threats and vulnerabilities, but also of opportunities to be pursued in a socio-economic environment that has been and remains extremely unstable. Finally, strategic thinking and analysis lead an entity to a clear set of new goals, plans, and ideas needed to survive and thrive in a changing competitive environment. This type of thinking must be based on economic realities, market forces and available resources.

Strategic thinking requires research, analytical thinking, innovation, problem-solving skills, communication skills, leadership and quick action (Liddell, 2009, p. 73).

There are five steps to improving your strategic thinking skills (Dumitrașcu, 2017, pp. 49-52):

1) Allocate time to reflect and plan for the future, identify trends, prioritize tasks, and decide where to allocate resources;

2) Discover your own prejudices so that you can think more clearly about strategy;

3) Listen to subject matter experts and leaders in your organization for high-quality information that you can use in strategic thinking;

4) Learn to ask good questions to discover better options and plans - questions like "Is this idea from a credible source?" and "Is this a logical idea?";

5) Explore all the consequences of different strategies and directions.

An expert in management and leadership, namely M.D. White, in his book *"The Influence of Military Strategies on Business"*, emphasizes the idea that certain military strategies can be successfully applied in competition between companies, in any given market. The art of conducting military action, approached in a special style, can pave the way for a victory in business. Leaders need to learn how to successfully apply wartime best tactics and practices in their own business, political life, and, why not, personal life (White, 2017, pp. 5-6).

3. Knowledge, Innovations and Strategic Thinking at Company Level

The aspects previously invoked by us regarding the role and/or significance of strategic thinking in contemporary society lead us to the conclusion that any rational entity in nature or universe (individuals, groups, institutions, organizations, companies, countries, nations, etc.) is forced to resort to constructing alternative scenarios in order to achieve certain goals, she is "forced" to constantly adapt to the natural and/or social environment in which she evolves. In other words, rational inventions have always built strategies to impose themselves in competition with nature and/or other groups of people. The construction of such strategies at the level of individuals and/or groups has been, as the case may be, more or less successful; some principles of substantiating strategies, such as the thinking of Sun Tzu and Sun Bin, then became a kind of doctrine and/or manual that greatly favors the effort of a social group to win any kind of competition (Toffler, 1683, pp. 30-35).

Some authors, such as Toffler, appreciate that the survival of companies in an uncertain and rapidly changing business environment requires first and foremost a new vision at the top of the organization; the strategies applied yesterday by other companies no longer offer answers to the new forces that shape

the business climate; any business has a doctrine, he says, and when it is based on outdated assumptions the company can easily be overtaken by other competitors.

Drucker's perspective on strategic thinking refers mainly to the strategic vision that should be built at the level of companies/companies, respectively the way in which the CEO and his team should proceed to shape a desirable future for the entire organization. However, it is quite obvious, we believe, that Drucker's suggestions for strategic thinking remain fully valid when referring to individuals, social groups, countries or military institutions. From the perspective of our doctoral study, we will repeatedly emphasize the idea that there is a mutual source of inspiration in terms of strategic thinking when moving from military institutions to the corporate world, from companies/companies to countries, and vice versa, as appropriate.

Peter Drucker argues two ideas that are of interest to our study, namely (Drucker, 1968, pp.162-163):

- The future cannot be known by anyone, in the sense of precise, certain prediction.
- The future will be different from our expectations as individuals, organizations, military institutions or countries.

However, the same author emphasizes that any CEO has the duty/responsibility to build alternative scenarios in an attempt to anticipate the possible future effects of events that irrevocably marked a company's past, brought major changes in its business environment and will condition the way. subsequently covered by the organization. In other words, one of the major tasks of any CEO is to permanently build alternative scenarios regarding the possible path to be taken by the organization in the future, taking into account the past and the current situation of the company.

4. Factors Influencing the Post-Crisis Business Environment

In a reference paper on the instability of the business environment in the post-crisis 2008 context globally, Kotler and Caslione list a number of seven factors (F`s) that individually and cumulatively generate unprecedented chaoticism not only in the markets in which different competitors compete. companies, but also in society in general (Kotler & Caslione, 2009, pp. 37-65):

✓ F1: IT and the IT revolution

Information technology (IT) is one of the key factors leading to the globalization process. Advances in the early 1990s in hardware, software, telecommunications, and digitization have led to the rapid transfer of data and knowledge around the world. The IT revolution is probably the biggest contributor to shaping the new global economy and by creating interconnections with the help of the internet buyers and sellers can search, ask, evaluate and buy or sell from long distances. People no longer have to limit their buying or selling to their local area. The computer revolution has led to a rapid decrease in costs and a rapid increase in processing power. The impact of internet-based services is felt both at the micro level and at the macroeconomic level, as small companies become more competitive with larger ones, developing economies can compete with developed economies.

✓ F2: Disruptive innovations

Disruptive innovations create fundamental changes in the market, causing the rapid obsolescence of existing technology. In the vast majority of situations, following conflicts between technologies, new ones are successful compared to older technologies existing in the industry. Companies that invest in

new technologies notice the opportunities they create, improve their profit margins and invest in technology until they reach a level comfortable enough to capture the market.

✓ F3: The rise of the "rest of the world"

Financial crises are accelerating the process of redistributing money and power globally. The economic crisis of 2008 gave us an example, probably a possible economic crisis that will follow the Covid-19 pandemic will do the same. New chapters are being written in the history of the global economy, chapters in which the great actors will no longer play the dominant roles. The process of redistributing money and power around the world, from the United States and Europe to Asia and the rest of the emerging markets, is in full swing. Large companies in these areas are developing at a record pace and will continue to capitalize on the imbalances caused by the changing economic and political balance in the world. These highly ambitious companies will do whatever it takes to beat their competitors in developed economies.

✓ F4: Hypercompetition

Hypercompetition occurs when technologies or offers are very new and are characterized by actions of great intensity and speed, in which competitors must move quickly to build new advantages. From a strategic point of view, the competitive advantage is no longer sustainable in the long run, it must be created and recreated continuously. Companies use diversified strategies and tactics to win the market and intuit what their customers will want in the future. Speed is crucial to seize opportunities and respond to competitors' actions and surprise improves a company's ability to build a superior position in front of a competitor.

✓ F5: Environment

All companies are under increasing pressure to conserve and protect the natural environment and to take measures to reduce pollution in order to prevent global warming. Citizens and companies are asked to consume wisely and to invest more consciously in systems that conserve air, water and energy, so that life on the planet is not irreparably affected. Most companies want to support the green movement, already benefiting from key funding from business strategies and innovations based on sustainable development.

As a first step, as a short-term impact factor, the value of companies is likely to decline as investments in environmental protection begin to affect their performance. Subsequently, as nations and companies begin to take stronger action to address environmental issues, cash flows will become significant and companies' valuations will begin to become clearer and more predictable. All the more so as these approaches would affect a company's competitive position if other rival companies adopted new business models in the "green" area.

✓ F6: Ability of customers

The world is in a new economic stage of products and services. The modern client is connected in the virtual environment and on social networks. Increasingly, each individual region or country around the world has its own online interaction group that connects companies and people to share experiences. The customer and other stakeholders are no longer passive agents in the marketing process. He receives advertising from sellers, but also reviews from hundreds of "friends" on Twitter, Facebook or WhatsApp. Can search online for any company, product or service.

The profound implication of this is that companies that produce unsuitable products or offer poorer quality services will disappear faster. Through the online environment, the good ones are advertised and

it will determine the good ones to become better and better. Companies need to closely monitor customer satisfaction and monitor Internet discussions about the products and services they offer.

✓ F7: Sovereign Wealth Funds and other factors

During the global financial crisis of 2008, several financial institutions in the US and Europe avoided bankruptcy by accepting funds from the Chinese government and various Arab kingdoms. It says a lot about the rise of the "rest of the world," which I mentioned earlier.

The Sovereign Wealth Funds have recently gained worldwide exposure by investing in several Wall Street financial firms, when these firms needed a cash infusion due to losses during the January 2008 crisis, which at the end of of the year were huge.

5. Knowledge Management

As a distinct subdomain of management, KM (Knowledge Management) has become in the last four decades, since the Internet Revolution and until today, a topic of great interest to companies, military institutions and countries alike. Studies in KM discuss two classes of knowledge, starting with Polanyi's contribution in this field, namely (Polanyi, 1966; Nonaka & Hirotaka, 1995):

- *Explicit knowledge*, which is the knowledge accumulated rationally by people, consisting of: coded and digitized knowledge in books, documents, reports, notes, etc., documented information that can facilitate the action but also the knowledge of what is easy to identify, articulate, shared and used. Explicit knowledge is the most basic form of knowledge and is easy to convey because it is written and accessible. When data is processed, organized, structured and interpreted, the result is explicit knowledge.
- *Tacit knowledge*, which is non-rational knowledge, such as: knowledge embedded in the human mind through experience and jobs; know-how and learning embedded in people's minds; context-specific wisdom and personal experience, more difficult to extract and codify; tacit knowledge includes ideas, intuitions.

Tacit knowledge is the knowledge we possess, which is obtained from personal experience and context. It is the information that, on request, would be the most difficult to note, articulate or present in a tangible form.

It is quite obvious that what we call explicit and tacit knowledge is for companies/companies the essential resource to substantiate their innovative activities, for everything that means R&D, for obtaining technical and social innovations.

Technical innovation is the process by which an organization embarks on a journey in which the importance of technology as a source of innovation has been identified as a critical success factor for increasing competition in the market. Technical innovation provides a sense of work on technology for the sake of technology, better reflects the desire to improve the value of the business by working on the technological aspects of the product or service. Moreover, in the vast majority of products and services, there is no single technology at the heart of the system. The combination, integration and interaction of different technologies make the product or service successful (Drucker, 1985, pp. 22-37).

Social innovation is both an old and a very recent practice in the sense that its value has only been observed in recent years. People often compare innovation with technology, but in the last 200 years there has been significant social innovation, which was a prerequisite for the technological innovation

that followed. Universities, hospitals and commercial laws are examples of prior social innovations. Innovations have been common in many non-technical fields. According to Drucker, the most risky innovations are technical, so the idea that innovation is risky may result from the common practice of equivalence of innovation and technology. Drucker has identified seven sources of innovation and stresses that innovators must systematically look for innovative potential from these sources (Drucker, 1985, pp. 37-56).

The steps taken towards social innovation refer to design thinking, which was developed in some universities and is now the core activity of some companies. While industrial design aims to optimize the function, value and appearance of a product, the notion of design thinking applies to "use situations".

Social innovation can thus be seen as an experimental space that offers freedom to reinvent the services (commercial or public), but also the main forces (businessman, utility and value) that drive our societies.

According to Drucker, top managers in companies need to know in detail the organization's past and its current position in the market, industry, sector and only later try to build alternative scenarios on the path that could be taken by the company (i.e. mission and strategies) (Drucker, 1968).

The same author argues that information has now become essential (as it and/or knowledge is the raw material for technical and/or social innovations) on which any type of successful company is based; they are the ones who support the decision makers to build a kind of skeleton on which to support the organization seen as a system (Drucker, 2001, pp. 98-101). Moreover, Drucker is among well-known authors who argue that for any organization, important are not the means allocated to achieve a goal, but especially the concepts behind these means/tools of action and that knowledge workers have become essential in society. post-capitalist (Drucker, 2001, p. 99).

From Igor Ansoff's point of view, a company's market penetration strategy is focused on using its existing products and services in existing markets, aiming to increase its market share in the current scenario. This strategy aims to increase sales for its existing offerings in today's markets through more aggressive promotion and distribution, a strategy that is the least risky.

The Ansoff Matrix (also known as the Product Market Growth Matrix), a very useful strategic planning tool, can be used to support growth strategies. Ansoff described four growth alternatives for developing an organization in existing or new markets, with existing or new products, as follows: Market penetration, Market development, Product development and Diversification. Each growth option attracts different levels of risk for an organization.

The product development strategy is focused on creating new products and services that target its existing markets. This growth strategy requires expanding the range of products available in the company's existing markets. This strategy is more risky than market penetration, but may have a similar risk to market development.

The diversification strategy is focused on increasing market share by introducing new offers in new markets. It is the riskiest growth strategy, as both new products and new development markets are needed (Ansoff, 2006, p. 39).

Henry Mintzberg argued that it is very difficult to draw up a perfect business strategy and developed the *5 P Theory of Strategy* in 1987. Each of the 5 P represents a different approach to development strategy, as follows:

1. **Plan** - the strategy must be developed in advance and with a purpose.

2. **Ploy** - strategy is a means of overcoming competition.

3. **Pattern** - we learn to appreciate that what has been successful in the past can lead to success in the future (learning the lessons learned).

4. **Position** - strategy refers to how the organization relates to its competitive environment and what it can do to make its products unique in the market.

5. **Perspectives** - emphasizes the substantial influence that organizational culture and collective thinking can have on strategic decision making within a company (Mintzberg, 1994, pp. 112-121).

By understanding each P, one can develop a robust business strategy for a company that takes full advantage of its strengths and capabilities.

In the specialized literature of our country, Ovidiu Nicolescu and Ion Verboncu in the work Corporate Management Strategies define strategy as the set of major long-term objectives of the organization, the main ways to achieve, along with allocated resources, to gain competitive advantage according to the organization's mission (Nicolescu & Verboncu, 1996, pp. 33).

From Ion Popa's point of view, strategic management represents in several respects an enrichment of the concept of strategic planning. Any decision, except for operational ones, is evaluated in terms of strategic consequences. If in strategic planning, strategic reflection involves only the environment of the company, in the case of strategic management is added the internal environment - organization, culture, power. Strategic management immediately reflects any change generated by a particular important event, as opposed to strategic planning that is unadaptive to that change. In addition, strategic management involves not only the general management or the top of the hierarchy ("top management"), but also the people at the lower and operational levels, responsible for implementing the strategies (Popa, 2004).

The materialization of the strategy - as, by the way, of the management process - requires creativity but also a critical judgment from the managers, a judgment "... which is born of experience"; in other words, experience and theory provide a certain mix to substantiate the strategic vision of top management, success not being possible only on the basis of theoretical knowledge (Burciu, 2008, pp. 208-209).

6. Chandler's Study of the "Visible Hand" of the Market

Chandler's proposed study has become a benchmark for the "managerial revolution" in the American business world over the past two centuries, especially in that it discusses a "visible hand" (Chandler, 1977, pp. 72-96) and the role of managers in completing the action of the "hand". Invisible "to which Adam Smith refers (Smith, 1999). The analysis of Chandler's work has a special significance for us because this author argues that from time immemorial, at least from 1830 until now, the great American companies have been directly and/or indirectly inspired by the organization and strategic thinking of institutions American military (Chandler, 1977, pp. 72-96). As it is known, at the level of any hierarchical structure built by a large group of people, there is a certain conditioning between what is thought at the top of the whole group (strategy), compared to the tools that are then operationalized to support the implementation of that strategies (organization chart, as an essential tool to support a certain strategy). From a historical perspective, Chandler's arguments are fully relevant and therefore directly support the basic idea of our doctoral research, namely that various successful companies in the global economy, such as the Japanese keiretsu groups, have inspired and is inspired, as the case may be, by the doctrine of military institutions.

7. Conclusions

Several conclusions or opinions can be formulated that are of interest for the current competition in different markets of the world and that obviously imply innovations in the strategies applied by the winning corporations. As I have pointed out, the organization and doctrine of military institutions have historically influenced the organization and strategies pursued by large American corporations and, as a consequence, have subsequently been a source of inspiration for Japanese, South Korean, or European companies. Strategy will always be needed, at the level of countries, companies or other organizations, although the relative significance of changing political goals, the chosen strategic modalities and the available means - military and others - may change over time.

The military strategy should serve as a bridge between military power and political purpose, at the level of countries/nations, given its content and functions.

The strategy, doctrine or organization specific to military institutions are seen only as a source of inspiration for the possible strategy and organization at the level of companies/firms.

It is quite obvious that increasingly advanced technologies can provide competitive advantage, control and dominant positions of some social groups, companies or countries over the competition.

It remains to be seen in which direction the centers of economic and/or technological power would be reconfigured in the coming decades, as China tends to consolidate its position in the global economy and Chinese companies tend to consolidate their position vis-à-vis other competitors international.

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