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Strategic Management in Finland Yesterday, Today and Tomorrow (1970/2010)

Only companies capable of strategic management will succeed in the long run. A successful company can:

- (1) Develop successful strategies,
- (2) Implement them well and
- (3) Renew strategies according to the changing demands.

The degree of difficulty rises as we proceed from phase 1 to phase 3.

The fatalistic allegation: -Nothing can save a successful company- has unfortunately often proven to be true in the light of history.

Why is this? The aphorism stated by Tauno Matomäki in a strategy-workshop contains a profound wisdom: -In the end it takes only two things for a company to succeed: TIME and SENSE.- The majority of companies simply use much too little time. If strategy work were a sport, it would be marathon, not sprint. Use of sense highlights, besides the traditional capabilities like knowledge and skills, especially vision, will and courage.

Of the many definitions of strategy -The Company manages the environment- perhaps best describes the essence of strategy. There are three dimensions in this management: 1) the company adjusts to the changes of the environment 2) the company creates change in the environment and affects it and 3) the company selects its environment.

The development of strategic management in Finnish companies has, with some delay, followed the path of theory and literature: long-range planning (LRP) ® strategic planning ® strategic management ® strategic thinking. For some companies the actual contents and the mode of implementation have changed, for the others only the terminology.

At different phases of development strategic management and operative management have competed with each other. The focus has not shifted to strategic management until it has been inevitable. Thus the order the companies and industries have followed has been along the lines of the following formula: open global industry ® protected global industry ® domestic companies ® public sector and non-profit organisations.

Small and medium sized/family-owned businesses have enjoyed more strategic successes than the large corporations. They have had less money, but more time and sense. There has been more vision, will and courage. In the global competitive economy strategic management becomes a central force and its future components are the following:

- 1) The company must have a good strategic architecture: true to its principles, consistent and disciplined, but at the same time adequately flexible.
- 2) Good strategic management is needed both at corporate level and business unit level.
- 3) The importance of the strategic skills of the total personnel increases both in strategy development, implementation and renewal.
- 4) Full understanding of management by interaction. As the interrelations become more and more complex in the environment, they present a growing challenge to the management of interrelations between the companies and the

environment as well as the interactive relations inside the company.

5) The topmost decision-makers must be both strategists and leaders.

6) In an integrating world the strategic management skills of the political leaders become an important success factor.

With the rise of the importance of strategic management, it was only natural that the Strategic Management Association was born in Finland. The goals of the Association are:

1) To improve the competence and professional skills of its members

2) To contribute to the understanding of correct conceptions of strategic management and the principles of a successful business

3) To promote the research and other development of strategic management

4) To maintain connections with the domestic and foreign associations and other organisations which aim at development and support of strategic management

5) To develop and enhance interaction between companies and members of the Association