

8: Conclusion

Good ideas are not good because they are the same ideas that have been successful elsewhere. Good ideas are good because they are based on facts of the problem situation. Inasmuch as the task of strategic management is to formulate and implement good ideas, the search for good ideas should always start by studying the facts that are known. Theory can be helpful in organizing and clarifying the facts.

Sometimes, however, theory misleads either because the theory is either wrong or incorrectly applied. When the theory is incompatible with the facts, the facts must prevail. The strategy based on theory must give way to the strategy based on facts.

Thus, the first consideration in evaluating a strategy is the extent to which the strategy is based on facts of the problem situation. The final consideration is the extent to which the strategy is acceptable to those who must execute it. The former is a quality consideration; the latter is an acceptance consideration. The effective strategy satisfies both considerations: Effectiveness = Quality × Acceptance.

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