

CHECKLIST: SEVEN QUESTIONS TO HELP CHOOSE BETWEEN PRESCRIPTIVE OR EMERGENT STRATEGY ...OR CHOOSE BOTH

Some strategies will put the emphasis primarily on planned, prescriptive approaches. Some strategies will choose experimental, emergent strategies. And some will have elements of both. The purpose of this checklist is to provide a short guide to making that choice.

To be clear, the list *oversimplifies* strategic decisions that can be more complex in practice. But it may provide a first step in identifying the most effective strategic approach.

- 1 Is market growth fast or slow? If fast, then emergent may be more appropriate. If slow, then prescriptive makes more sense.
- 2 Do the customers need a highly personal service or do they buy standard products? If personal, then emergent may be better because emergent is likely to be more sensitive to individual requirements. If standard, then the converse applies: prescriptive may be more relevant.
- 3 Does the business involve high levels of capital expenditure? If large, then prescriptive is better because such investments typically need to be planned over time.
- 4 Does the business depend heavily on price changes associated with a volatile commodity like oil? [‘Depend’ here means that the commodity is a large percentage of the total costs.] If so, then a mixture of prescriptive and emergent may be most useful. Prescriptive may be valuable because it allows for buying the commodity in advance to protect against adverse price fluctuations: this is often called ‘hedging’. Emergent may be useful because it allows for some flexibility as prices move beneficially.
- 5 Does the business depend on new technology? If so, then emergent and prescriptive may both be useful: emergent because the outcome is uncertain and flexibility is needed; prescriptive because new technology may involve heavy investment.
- 6 Does the business need to respond flexibly to local market conditions? If so, then emergent is more appropriate – almost by definition.
- 7 Is the business managed from the centre or do parts of the organisation have substantial autonomy? If it is managed centrally, then prescriptive strategy is highly likely. However, this does not mean that centralisation is the most effective organisational form: it is simply a recognition that this is the way the business is operated at that time.

Finally, the underpinning principle here is that the strategic choice between prescriptive and emergent is *context sensitive*: it all depends on customers, competitors, resources, dynamics, leaders and managers and the available opportunities.