MODEL FOR IMPROVING THE STRATEGY DEVELOPMENT AND IMPLEMENTATION IN EMERGING MARKETS

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ABSTRACT
In the last decade occurred profound changes in economy, both globally and regarding the approach chosen by each organization to practice management.
The worldwide economic relations changed radically, as the technologies used, the balance of power has changed, and the competition has exacerbated. In this context have survived only those companies able to adapt to the major challenges and changed not only the way to do business, but also the philosophy of existence.
As result, an actual theme and an important research topic are represented by the manner in which the companies (national, but most of all multinationals) adapt their strategies to the business environment from emerging markets.
*The aim of the paper is to develop a model for identifying the prerequisites in improving the strategy development and implementation process for the companies which operate in emerging markets. The information is gathered from the Romanian companies. Some tools specific to the „blue ocean" strategy (**strategy canvas, four action framework** and **six path framework)** are used in model building.*

KEY WORDS: *strategy, Blue Ocean, strategy canvas, emerging markets*

JEL CLASSIFICATION: *M16, L21*

1. INTRODUCTION

During the first globalization era (from 1850 to 1929), the multinational companies strategies within the developing countries were simple. These required the access to the country's resources, while the governments granted them frequent exclusive contracts and favourable offers in order to build business. Innovation was found more in the execution area than in building new organizational and management forms.

As the world started to de-globalize (period 1929-1978), the main challenges for the multinational companies were the political ones. The hostilities met since the beginning determined many companies to give up and invest somewhere else. The remaining companies were forced to develop political contacts with the local governments, as an alternative to consolidate their local identity, especially in order to localize its management. They needed to adjust their products to the emerging market requirements and were confronting with challenges regarding to the local competition.

In the contemporary global economy (1979-present), the political risks lowered simultaneously with the liberalization and the forsaken of the anti-foreign restrictions. The developing countries, or the developed and rapid growing ones, such those from Latin America and Asia, were more and more regarded as indispensable by the multinationals within each industry.

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Though, in some parts of the world, it was necessary for them to incorporate local relevancy in global products, which counted as an advantage for the new companies, locally owned, which registered scale growth and became multinationals. Both the multinational companies, as well as the local ones, are forced to adapt their acting manner to the particularities of these markets, in order to maximize the opportunities and lower the risks.

Starting from some of the last years discoveries within organizational management field, this paper tries to propose a pattern for identifying the needs regarding the strategies development and implementation for the companies which aim to resist and evolve in an unstable economic environment, having the ability to anticipate major events affecting their future evolution and to adapt quickly to the environmental factors.

2. OBJECTIVE AND METHODOLOGY OF RESEARCH

Through the scientific approach assumed by the identification of strategies particularities on the emerging markets and by the proposal of new tools, is aiming to reach the following **objective:** developing a model to identify the improvement needs for the strategy development and implementation within companies from emerging markets.

In order to gather the data and information were used two methods:

- The first involved theoretical revision and data collection through the scientific literature research.
- The second method included obtaining information and empirical data mainly through interviews with local and foreign managers of companies which act on the Romanian market, and also through interviews with some investment analysts.

On the emerging markets, strategy development is not an assimilated and integrated process. In order to identify the areas in which the companies need the customization of their strategic process on the emerging markets, it had been used the auditing of two major companies from Romania (one multinational and one large local company), together with conducting interviews with the top managers from other companies. Based on this auditing, the conclusions were finalized using the „Blue Ocean" methodology.

Thus, after observations and interviews, was followed the main steps regarding the identification of a new process of strategy development – named by Chan & Mauborgne (2007) in their methodology as drawing up new market boundaries.

In this paper was considered the strategic process as a tool used by managers in order to be acquired and used in order to increase the performance of their business. Starting from this perspective of strategy approach, the focus points migrates from the methodologies based on developing, implementing, controlling and evaluating the strategies towards its benefits, namely the company management, its employees, business partners, local and national social environment.

3. LITERATURE REVIEW

Defining and framing the emerging market concept was the subject of many studies. Though, the literature in domain reflects a great diversity of perspectives regarding the content of emerging market concept, which justifies the concept's complexity, subjectivity and dynamism.

In the 1970's „developing countries" represented the term used for those markets which were less developed from the point of view of subjective or objective indicators than the developed countries like USA, Western Europe and Japan. This term was considered to be insufficiently optimist and positive, thus it appeared a new labelling – „emerging markets". The „emerging" term with regards to the markets or economies has its origins in the 1980's, entering the common language only in the 1990's and being nowadays a term which is more or less accepted to describe certain market types (Authers, 2006).

The scientific research regarding defining the emerging markets still offers an unclear characterization. While the researches conducted by scientist like Prahalad and Hamel (1994), Haley, Tan and Haley (1998), de Soto (2000) and other scholars from prodigious universities like Harvard Business School and Yale School of Management described the activity from countries like India and China as being specific to emerging markets, the phenomena of emerging occurrence on a market is not entirely clear.

Examples of emerging markets include Indonesia, Iran, countries from South America, and some countries from Asia, most of the countries from Eastern Europe, Russia, some countries from Middle East and certain parts from Africa. Underling the fluid character of the category, the political scientist Ian Bremmer defines the emerging market as a country in which for the market the politics matters as much as economy does (Braker, Bremmer & Gordon, 2008).

A report from the Center for Knowledge Societies (2008) defines as emerging economies „those world regions which are confronting with the rapid informatic development amid partial or limited industrialization". It seems like the emerging markets are situated at the interference between the untraditional consumer's behaviour, the occurrence and development of new consumer groups and communities which are adopting products, services, technological innovations regarding new products and platforms.

Meyer & Tran (2006) define as emerging market that economy which has a high growth rate or growth potential, characterized by institutional gaps (infrastructure, legislation and experience). This approach implies medium term market dependence by the immediate economical circumstances, thus the term emergent is applicable to any country or region which complies with all the criteria given at a certain time. The BRIC countries (Brazil, Russia, India and China) gather together over 50% of world's populations and represent an important part of the rapid growth in worldwide goods, services and resources consumption. According to this factor, all the emerging markets may play an important role in the global economic growth.

The globalization favours the multinational companies whose products/services are distributed in all the countries. The high number of the potential clients within the emerging or developing markets generates an increase in the goods demand. Though, the multinational companies are confronting with the business environment within the emerging markets, which is totally different from the familiar one within the country of origin. The main point of attraction for the developing economies is represented by the rapid economical growth and by the corresponding expectations implied by the fast development of consumer goods.

Khanna, Palepu and Sinha (2005) mention the spreading of the processes, competencies and technology in the whole world market as the result of the convergence of the institutional context. Due to the worldwide supply of high technology services, the gap between the developing and the developed countries is rapidly shrinking. The transition and the development of a market usually take more than what of most participants expect.

Mahajan and Banga (2005) show how the companies should understand and address the lack of infrastructure and mass media, the low level of literacy and the untraditional consumer behaviour which are found on the emerging markets. Adjusting the companies strategies on the emerging markets implies redefining the real competition, gathering economical information using untraditional channels, considering the leverage effect on the information gathered from the population which works abroad, redefining products characteristics in order to reach the critical mass of the local requirements; adapting innovations, prices etc to the local traditions and reality. The structural view over the emerging market has many implications for the entrepreneurs, from the multinationals within the developed countries and for the local companies which try to consolidate their share on the local market and to develop into multinationals.

The strategic planning became an integral part of large companies functioning, having an important role, both for the companies which are operating on developed markets and for those from emerging markets. As the external environment become more and more dynamic and unpredictable, the companies interest for strategy increased, as it enhance their ability to anticipate the evolution of the economical environment. The 1990's period determined major changes within the internal and external environment of the organizations, as well as in the functioning of the global economy.

The actual economic context, characterized by a rapid and continuous market expansion, raised new problems in relation to the developing strategy and, especially, to the need of new precise analyse tools and concepts regarding the market.

The first standardised tools of the strategic reflexion, introduce since 1950's on a large scale, was the well known product life cycle curve. This represents the starting point for the modern concept and for the popularization of the „strategy" notion. The „strategy" notions was developed first by the efforts of I.H. Ansoff and the representatives of the Harvard Business School, as well as of the big consultancy firms from America *–Arthur D, Mc. Kinsey, Boston Consulting Group (BCG). Little (ADL)* – This, during the 1960's, developed many strategic analysis tools.

The literature has not developed a common vision, of all the authors, regarding the phases of strategy development. Though, there is a logical path for al the actions, starting with the analysis of the competitive environment, followed by the strategy's mission and concludes with evaluating the performance of the strategy (Popa, 2004). Also, there were created many tools and methods which can be used both in strategy development and in implementing, evaluating and control process.

After than more than fifteen years of research and testing in companies from Europe, United States and Asia, Chan & Mauborgne (2007) created the concept of „Blue ocean strategy". The aim of this study was to identify the „intelligent strategic movements" which are to be adopted by the companies in that moment when the performance is lowering. The authors recommend exiting the „red oceans" of the intense competition and entering on the undisputed markets, with irrelevant competition.

Most of the companies are used to battle within the „red oceans", which are the markets with an intense and known competitive environment, in which each player tries to raise its incomes by outpacing the rivals. As more competitors appear, the profits diminish, together with the long term growth. The demand is stagnating, while the offer become common, the competitive advantage being obtained through lowering the price.

It will always be needed the company's presence within the „red oceans", as this is the reality of each industry. As the offer becomes greater than the demand on many economical activities, the competitive battle is given for a share in a stagnating or diminishing market and the only alternative for a company to obtain high profitability is to create „blue oceans" (Prahalad & Hamel, 1994). These were defined as „virgin market areas, with a demand which is to be created and a high probability of profitable economic growth". The „blue oceans" can be created within the red ones or outside their boundaries, in both situations the competition being irrelevant, due to the fact that this is a new game, with rules that are to be created.

The landmark chosen by the management in the strategical approach can be either the competition, which implies a structural vision or ambiental determinism („Red Ocean"), either the consumer, thus the company adopting a reconstructive perspective („Blue Ocean"). For the second alternative, the authors propose the usage of a diagnose tool called „strategic canvas". This has a double role that of identifying the rules of the actual rules of the red ocean, as well as of defining the boundaries of the blue ocean. The strategy of a company will be represented graphically on the strategical canvas through a „value curve". On the graphic are pointed out the factors in which investments are made on the activity domain analysed and the investment level in each factor separately.

The red ocean area in the strategic canvas indicates to each company on which indicators can insist in order to offer superior solutions compared to the direct rivals. The blue ocean area gathers new elements, which are valuable to the consumers, outside the area of the present activity domain.

A healthy business environment needs companies in both oceans, red and blue. The blue oceans are dynamic, a strategic position can be secured on a period of ten – fifteen years, until the relevant imitators come to the domain and transform it into a red ocean. The main barriers for imitators entrance into a blue ocean are: *the traditional thinking* of company denies the path of a valuable innovation; *the brand positioning* contradicts the blue ocean strategy; *the natural monopoly* on a

market limits the forming of a second relevant player; *the license and legal authorization*; *the cost advantage* had by the leader; *the external distribution networks*; the imitation needs internal changes at the political, operational and cultural level; the brand awareness and the local clients remain attached to the leader which brought value innovation.
The blue ocean proposes as a new element the balance of the actual strategical approach, which is unjustified disproportionately in the favour of the classic competition strategy within the red ocean of the known market segments.

4. PREREQUISITES IDENTIFICATION IN IMPROVING THE STRATEGY DEVELOPMENT AND IMPLEMENTATION

4.1. Identifying industry, the main decision criteria and groups of tenderers

The „Blue Ocean” methodology was applied in the present paper with the aim to create a customized management process, according to the emerging markets characteristic, as well as to the management practices ever increasing at the global level. The activity domain defined is represented by the strategy’s development, implementation, evaluation and control, while the ***main suppliers’ categories*** within this sector are:

1. the big multinational management consulting companies, further called as *big consultancy companies;*
2. local or regional consultants which work either individual or in small sized teams and are specialized on functions and industries, further called *individual specialized* consultants;
3. *company’s top management*, which is the main responsible for the process management;
4. software applications which are facilitating certain process stages, which will be called the *informatic system*.

Each of the four supplier categories within the strategy development offers different advantages, as well as some benefits delivered at a lower level than the other competitive alternatives – the differences are visually illustrated in the strategy canvas from Figure 1.
Further it will be presented the **strategic canvas of the strategy process**, as it is reflected in the actual practice and it is called the *red ocean canvas* (Figure no.1).
The main criteria on which a company decides and manages the strategic process over its path are: the motivation which generates the strategy development, the short or medium term financial objectives, the cost of process, the action plan, the implementation degree, the strategy substantiation through the analysis of the computational environment, the organizational change management, the strategy’s evaluation and control.

1. ***The motivation*** which generates the strategy development is frequently related to obtaining short or medium term financial objectives and to a certain change moment within the company’s lifetime, which can be followed by an acquisition, a merger, sale, and reorganization, major changes within the external environment (market or business infrastructure).

At the top management level there is both low awareness and low practical application of a process with a frequency of 2-3 years to develop a strategy. In most cases, the business is run on an annual basis plan which supports numerous changes in the business environment over a planning unit of time. Choosing a certain team and a certain way to build a strategy depends on the level of the final beneficiary and the urgency of financial objectives.
In case of an acquisition or a merger, of financing a large investment, the company may use *big consulting firms*, which provide a rigorous substantiation of the strategy and has the advantage of holding specialised tools, local and global expertise in the area, big enough to both audit the potential of a business and its risks. Calling this category of bidders is accepted by all partners involved in the company's future due the global brand which guarantees a high level of expertise and know-how. If the company faces challenges related to the prompt response in the market, with a portfolio appropriate to the local customer requirements, or when there is need to improve

operational and financial efficiency, companies turn to *specialized individual consultants*. They spend a longer period of time within the company to understand the operational details and to collaborate with its employees in order to achieve feasible plans.

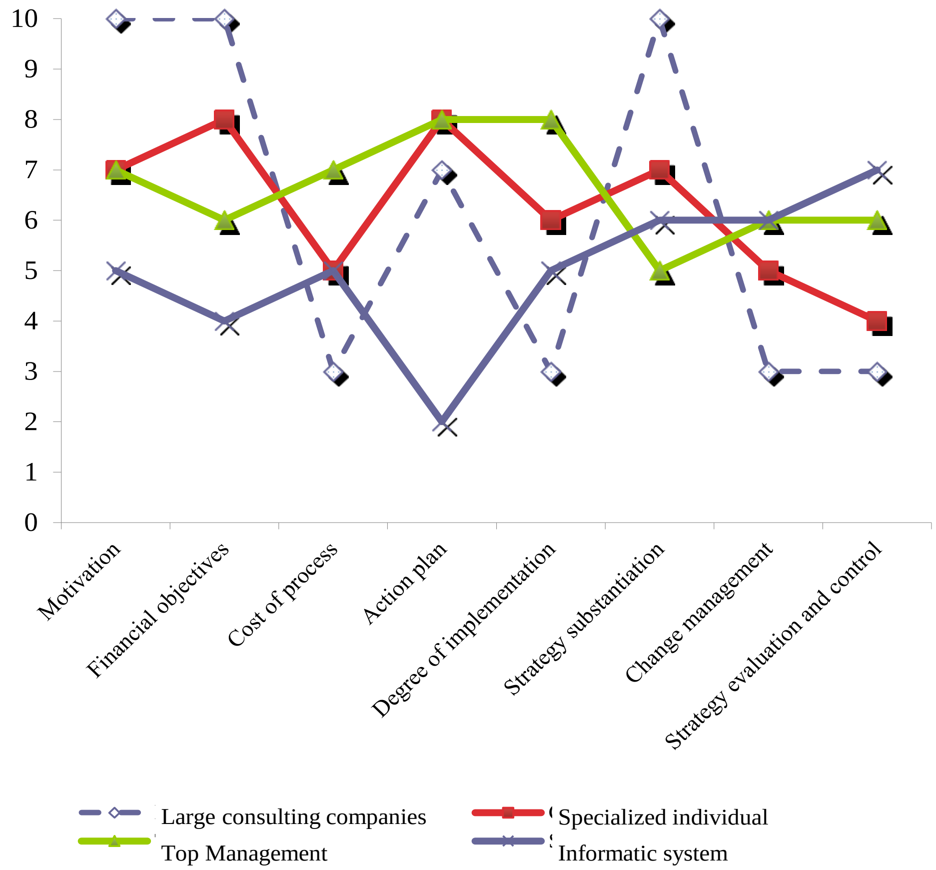

Figure no.1: The strategic canvas of the strategy development and implementation

Top management is that which consistently provides a strategic direction to the organization. In case of multinationals, local management is the one to ensure the integration between global and local strategy of the company. In case of entrepreneurship, the executive manager has the role of currently guiding the organization. Annually, corporate management is responsible to make the annual planning process and to verify its approval together with the parent company teams. Instead, entrepreneurs have a low stringency regarding this process, with extreme planning behaviours, at very big or too small periods of time, so that it can be effective in increasing company performance.
In long-term strategies of multinational companies, more common in recent years, is the implementation of *informatic systems* as a support for facilitating the operational activity, but also for the strategic one. Using an informatic system to substantiate strategy in companies from emerging countries is just beginning, but it encourages the adoption of this instrument as a result of: the increase of integration and centralization of multinational companies' management at the regional level; the rigorous grounding based on detailed history of inventions and grant applications; the reduction of operational costs with human resource.

2. ***Financial objectives*** – big business opportunities in emerging markets have maintained a short and medium term approach regarding the operational and planning mode of a business, the main goal of the management team being the financial one, determined by turnover and profitability. Increased customer education, competition, business dynamic and fluctuations in economic cycles, had a big effect on the expectations focused primarily on the financial performance of organizational units in emerging areas. This resulted in an initial stage of "psychological" crisis

related to these areas and the potential they present, because the attitude and expectations had to be adjusted to the new context of the parent-company management in developed countries, to global business partners (e.g. banks, infrastructure providers and so on) and to entrepreneurs.

3. ***The cost of strategic justification process*** – limited experience in the practical application of strategic behaviour generates a difference between benefits, received by corporate management, and financial offers of consulting firms and of specific software applications. Thus, financial resources for strategy justification, in most cases, are not included in the annual planned budget; they appear as urgent needs imposed by the emergence of opportunities for acquisition/merger or the aggravation of local competitive context. In these cases, management call on to large consultancy companies to prepare a process with a large financial stake or one regarding the survival of the company. Increasing is the behaviour of working for an average period with individuals who specialize in certain areas and on certain functions - the advantage this option presents is an operational cost with phased payment for a certain know-how which the company does not have inside.

Most of the time top management is used as a primary resource for full substantiation of the strategy, as a result of their experience in the field and their internal knowledge of the company. This option is frequently chosen because of its apparently non-existent cost, even if the team does not have the full set of capabilities, knowledge and resources to finish the process in a complete and substantiated way. Hidden costs of using these resources are not taken into account, especially in the entrepreneurial environment, when doing a comparative evaluation of the alternatives for developing the strategic process.

Multinational companies, with experience in emerging markets, understood the need for a long-term strategic approach regarding this type of markets, and assumed investment in building IT infrastructure to support their business. High costs for purchasing licenses, software implementation, proved to be rapidly paid off by the positive effects they generate in the business management.

4. ***The action plan*** – higher growth of emerging markets influenced business behaviour which prioritizes work with an action plan on short term (maximum one year), plan which has a high degree of change. The strategic plan, together with the other components of the strategy, are commonly used less often in multinational companies and rarely or incomplete by entrepreneurs. Omitting to adapt the strategy, from its planning stage, to the dynamism of the corresponding market, disconnects the strategic document from the daily operational activities of the organization and, hence, from the action plan.

Specialized individual consultants and top management have the greatest affinity towards the annual plans, with detailed actions regarding allocation of resources, given their proximity to the operational teams and micromanagement behaviour in monitoring and controlling the execution of an action plan. Their continuity inside the company on medium and long term ensures that changes of the plan will be done, to correctly respond to the local competitive environment.

Large consulting companies deliver a complete strategic document, together with a strategic action plan on long, medium and short term, without providing the same level of detail and the possibility of change as it does top management and individual consultants.

Most of the implemented informatic systems include modules for information recording, monitoring and evaluation - lacking the part of management assistance in making strategic scenarios and alternative proposals for action, depending on the identified context and positioning of the company.

5. ***Implementation degree of the strategic plan*** - the strong informal side of business practice in emerging markets has an essential role for the employees of a company to adopt and follow a strategic plan. Closeness, frequency and intensity of relations between employees and developers of the strategy, are directly proportional to the plan implementation degree. This is the main reason for which, inside the private sector, large consulting companies face the challenge regarding the

performance of the developed strategies and implicit the rate of return on investment, when working with this group of strategic partners in grounding the strategic process.

Top management, followed by specialized individual consultants' teams, have a high successful rate in obtaining implementation of actions which resulted from the strategy development process, rate which is even higher when an informatic system is used, as support for control and evaluation.

6. ***Strategy substantiation*** – the differentiator between large consulting companies is their ability to develop a rigorous grounding, both of the competitive environment and internal diagnosis of how the organization produces value. They have a sophisticated analysis tool, but also the local and global industry expertise, which allows verifying the functioning parameters of the business compared to what is considered a minimum, medium or maximum level in the respective domain. Through such a diagnosis it can be determined the company's strategic alternatives, its priorities and risks to achieve long-term goal.
Classical management models encourage detailed and rigorous substantiation of the strategy, which requires a high effort from the company at a certain moment of time and difficult to be met by companies in emerging markets. They lack the habit of collecting information about the competitive environment and constant diagnosis so that they can efficiently support the strategy substantiation stage. Most information in this category is fragmented and held by company employees, without being accumulated and used to describe the internal and external environment in their completeness. Also, investments in market research studies are small and frequently are made ad-hoc (few multinational companies resort to periodic measurements of market evolution). Thus, top management and individual consultants develop their strategic plan on a lower substantiation than the major consulting companies.
Informatic systems provide over time, on an accruals historical data, the advantage of a constant substantiation, detailed and rigorous to develop the strategy. So, companies that chose to implement such an instrument, have invested in building a long-term competitive advantage compared to other players who, in most cases, do not give importance to knowing the competitive environment and internal diagnosis.

7. ***Change management*** – the factors that determine the performance of a process of change are the same as those that ensure successful implementation of the activities plan. The evolutionary stage of business in emerging markets, including in terms of type of management, determines the need of change of every company's operating way at medium intervals of time. This need is supported by increased dynamism of these markets and by global trends leading to increase of competitiveness requirements of companies in emerging areas. Managers are often faced with requirement to change the operating mode so that the strategic plan has the premises to be successful. But this is a complex process in terms of human resources management and a concept that has been theorized since the early nineties, the most known author in the field being Kotter (1996). In emerging markets there is a limited expertise in implementing a rigorous process to ensure an organization's transition from a current working way on a new one. From this point of view, to increase the probability of success in achieving change, managers have an advantage by addressing an authoritarian management and control style, specialized individual consultants have the benefit to be much closer to the company for a medium period of time and to follow the way of work, while informatic systems, through their projected operating system, require a certain way of working by simply using them.

8. ***Strategy evaluation and control*** - through the separation from the Company after the completion of strategy formulation, large consulting companies have little impact on the assessment and control over the directions recommended to the management. Top management and specialized individual consultants have high presence and involvement in daily activities, which creates a link with employees to exercise control responsibility and increase interest for tracking performance of the strategic plan. The informatic system, through a well-defined set of performance indicators and time

tracking, is an effective tool for management to evaluate and control quantitative objectives estimated in the strategic plan, but also comply with planning and the limits of allocated resources.

4.2. Drawing new boundaries of the strategy development process

After *identifying the domain of activity*, the main decision criteria and the groups of bidders that describe the current situation regarding the strategy development in emerging markets using Romania as study area, the next step is to *draw new boundaries of the field examined* by investigating the **six ways to redefine,** according to the methodology “Blue Ocean ".

I. Looking across alternative fields - involves analysis of different products, but which have the same utility. In this category were identified: parent company's strategies, which are adopted as much as possible, with a low degree of localization, due to the tendency of centralization and because of the long distance from the emerging markets; strategic plans of the strongest business partners (suppliers, customers, banks, public sector). Entrepreneurs are those whose activities are strongly influenced by external factors. The motivating factor, that leads managers of companies to make the transition to the strategic directions of the partners, that have the highest dependency link, is determined by the need to safety maintain a strategic coherence with determinant partners, for business survival. These external units compensate the lack inside the company of strategic know-how, advanced experience in the field, of vision, regional and global visibility. The powerful informal nature of business environment in emerging markets generates medium and long-term alliances between business partners, in which they mutually complete their set of capabilities to pursue common strategic directions.

In conclusion, organizations develop alliances with a group of critical units / partners whose strategy and surplus of knowledge influence the company's strategic agenda.

II. Looking across strategic groups inside the analysed domain refer to the economic branch companies pursuing similar strategies. They are classified according to two criteria, namely: price and performance. The main strategic groups are divided into large consulting companies; top management and individual consultants; informatic systems. The advantage of large consulting companies is rigorous substantiation and extent of exposure to a collection of similar experiences worldwide. The price of this group is high and they provide a document with a high credibility for strategic partners.

Profile, experience and similar cost of top managers and specialized individual consultants qualify them in the same group of people, which provides the substantiation of the strategic process. Decisive benefits of this category are greater affinity towards ensuring a high level of implementation of the strategic plan and realizing an action plan closer to the capabilities of the company. The cost of choosing this alternative is lower than that of choosing large consulting firms and that of implementating an informatic system, but the performance of the strategy may be higher due to favourable conditions for execution.

The informatic system is a separate group that is least used in the strategic process. However, software development, environmental awareness of business and technology, recommends in a greater extent the introduction of computerization in the current tools used by managers. The advantage of emerging markets is the existence of young private organizational structures, which were not stiffened, but allow easy adoption of latest technology systems. The context of a recent and performing infrastructure of technical and communication equipment (voice and data transfer) facilitates higher speed and lower costs of IT business applications in these regions. The cost of this group is high at the time of acquisition and implementation, but it pays off in the long run and ensures a good return on investment compared to the benefits it generates. Companies have high performance in controlling and evaluating the implementation of their strategic plan when using an informatic system.

In most cases, the order of involvement in the strategic process of these three groups is: top management and individual consultants that provide strategic planning when business is in a stable phase. Then, the appearance of a bending moment in the existence of the company which generates involvement of a large consulting company to ensure credibility with business partners and rigorous foundation, followed by the implementation phase and / or use of a computerized system for monitoring and evaluating the strategic plan.

The role of top management is to start working with adequate large consulting companies and software providers, to assimilate the recommendations made by the two groups and play an active role in shaping the vision, calibrating strategy components and directions for each function of the company. From this phase, management has the main role, together with a team of individual consultants, to detail the strategic plan and assist to its successful implementation.

The benefit of this approach is extending the benefits of using informatic systems and large consulting companies over a longer period of time, as well as facilitating the context in which management can carry out implementation of plans and strategic objectives.

III. Looking across the categories of buyers. In most acquisition processes there are three categories of buyers, namely: purchasers (they decide and pay the service), actual users and influencing factors, which, depending on the area, play a more or less important role. Analysing these three groups always leads to the identification of a different view regarding the value of the same service.

When substantiating the strategic process, the main targets are the purchasers, who are represented by the general manager of the company or by the regional supervisor to whom a multinational organizational unit belongs to in an emerging market. The value of realizing a rigorous strategic process is the fructification, on long term, of a business opportunity according to the vision of the company.

The group of users includes company employees, mainly from department heads down the hierarchical ladder. They lead role is to execute strategy to achieve the strategic objectives on short and long term. In most common situations, particularly in emerging markets, there is a wide gap between the strategic foundation process and this group. Therefore, managers assume as primary responsibility of their function the control and allocate a large proportion of personal resources in the further execution of plans. Attitude which proved to be so necessary, given the disconnection of users from the strategy, as well as a low efficiency rate, because it generates for managers to move away from strategic thinking responsibilities, encourage teamwork and employee resistance to execution of orders, which are limited by the business context and motivation. The value that users perceive in the strategic process is related to the individual's achievement motivation on a professional and personal level.

In the analysed domain, influencers have a strong role, in many cases triggering for a rigorous process, because of the interests they have in the business opportunity of the company in the long term. Their group is formed by management in central locations, targeting geographic expansion in emerging markets; banks, investment funds and other funding organizations; business partners with high influence on the company; a strong competitor.

The conclusion of the strategically substantiation process analysis, from this perspective, generates the necessity of transferring concentration from the decision and influence factors to users. Disconnecting them is one of the major reasons for which the process is often limited to strategy development phase, implementation, monitoring and evaluation being a major challenge for managers of companies in emerging markets.

Clifton (2011), CEO of Gallup (one of the most recognized global research companies) states in his book "The Next War of jobs" the difference between business ideas inflation and business manager’s deflation, with skills necessary to put them into practice. The author emphasizes the need of companies to focus on execution of corporate strategic plans and identifies two aspects that define the degree of motivation of employees and customers.

By asking users, there will be a transfer of resource concentration from the substantiation stage to the implementation stage of the strategy and performance evaluation.

IV. Looking across complementary products and services. Unused values frequently hide in complementary services. The decisive factor is to identify the overall solution which buyers seek when choosing a service. To the extent that users were chosen as baseline for purchasers of the services underlying the strategic process, the solution they seek (as defined by Clifton following a study initiated in 2005, simultaneously conducted in one hundred fifty countries), is a "good job" to ensure their involvement in a legally registered company, a program of eight hours a day of work and enough income for personal and family maintenance.

Taking into account this value sought with priority by people globally, without regional differences, as complementary service to the strategy is any important relationship that affects individual performance of employees at work. Employees, beside the interaction within the company, have a strong relationship with business partners specific to the function from which they take part, mainly: banks, accountants, customers, suppliers, agencies, government institutions etc. Facilitating these relationships is directly proportional to the degree of individual responsibility fulfilment and hence, of the execution of the strategic plan. An increase of transparency between the company and its key business partners, together with ensuring integration of workflow, generates a considerable competitive advantage, supporting the strategy from the bottom of the hierarchical structure.

In this context, the working ways of key business partners and their strategies can be considered as complementary services, which implicitly generates for users an adaptation effort.

V. Looking across functional-emotional orientation of buyers. In most cases, the main reason for which the strategic substantiation process starts, in an organization operating in emerging markets, is the achievement of a financial rational objective. But the causes that generate this reaction are strong external movements, which create either a big business opportunity or a threat for the survival of the company. In both cases, management feels the need to ensure grounded future direction to protect the organization's performance.

The challenge in emerging countries appears in the implementation, monitoring and evaluation stages, due to lack of discipline and rigor habit in implementing an action plan among managers and employees. The main driver of this disability is the strong entrepreneurial and authoritarian character of the company's manager.

The emotional side of the decision to start and follow a substantiation strategy process is driven by the need for security and survival of the employees. This is the glue that catalyses teamwork to support the execution of the strategic plan, developed by consulting companies or by management.

In this context, the conclusion is the need to improve awareness and responsibility of each individual regarding their work and the role within the organization, regardless of its performance.

VI. Looking across time instead of focusing on the same point in time as the rest of the industry refers to identifying external trends which manifest on a clear global trajectory and which can have a decisive and irreversible influence over the organization.

Considering the global context of emerging markets, there were identified three trends, namely: intensification of pressure to increase the competitiveness of products and services offered by companies operating in emerging markets; the need for individual accountability, related to the role in achieving company’s goals; increase of operational and strategic efficiency by using the latest technology.

The evolution of data transfer infrastructure and hardware made possible the access to software applications of a growing number of companies. The access to such tools was until recently restricted and in the benefit of large companies with financial capability to invest and design IT integrated systems. In the last decade, the emergence of IaaS technologies (an infrastructure which delivers software applications to companies on the Internet, eliminating the need for their own computers, servers and networks), SaaS (purchasing software applications on the Internet by subscription, without requiring dedicated installation activities), PaaS (application development, data storage and data access is via Internet) and BPaaS (which offers three services: IaaS, SaaS and PaaS, as a package via the Internet) opened the access of any company to high-tech systems (KPMG, 2011).

The phenomenon occurred in the United States in the early 2000s for those applications which facilitated customer management, the best known service in this area being Salesforce.com (sales management) and is now expanding worldwide. Emerging markets are an objective with a high affinity towards this service, due to high parameters regarding Internet infrastructure and low acquisition cost of SaaS applications.

In conclusion, democratizing the access to advanced informatic systems is a global trend, with a clear trajectory and which will have an impact over the business environment for companies in emerging markets, which requires its adoption with priority to create a competitive advantage.

The completion of the six ways for redefining the boundaries of the strategy development process is followed by defining the ***Eliminate-Reduce-Raise-Create Matrix*** (four actions framework) (Figure no.2), which summarizes the proposed changes for the current working model.

Eliminate: • The cost of the process; • Triggering motivation of the process.	**Raise:** • Vision and objectives on the long term; • Evaluation and control; • Change management.
Reduce: • Substantiation of the strategy; • Action plan.	**Create:** • Integrating the strategic plan with those of the strategic partners; • Individual commitment of employees; • Adopting IT system in cloud technology; • Return on investment in the strategic process.

Figure no. 2: Eliminate-Reduce-Raise-Create Matrix

The items that were removed from the decisional process for substantiating the strategic behaviour are: its cost, because it is irrelevant to be analysed in an isolated way for the development phase of the strategy, without linking this cost to the effects it produces in the long term (it was introduced a new criterion, "return on investment in strategic process") and the triggering motivation, which loses reason in its current form in emerging markets, because the need for this process must be integrated constantly on the agenda of the companies' management and not ad-hoc, as a response to a powerful phenomenon in the external environment.

The action plan and the strategy substantiation diminish as share in the decision process, due to their inefficiency, if they are not supported by a good execution capability, which is required to be configured from the initial stage of the strategic process. Also, high dynamic of business environment in emerging markets makes it inefficient to invest in rigorous and detailed substantiation of strategy on the long term, and requires continuous and agile monitoring of the external and internal environment of the organization.

It is proposed to develop the part regarding the vision and long term goals, as a response to the experience accumulated in emerging markets, indicating the creation of organizations which will be sustainable and which survive to numerous economic cycles of the emerging markets. Thus, limitating only to achieve financial objectives was a feature of the opening phases of these markets, but with the increase of competitiveness inside them a change of approach is required. The same reasoning requires high flexibility of company's management, which involves setting the premises for change management, monitoring and evaluation from the stage of strategy development.

Based on the opportunities identified by applying the "Blue Ocean" methodology, the following criteria are created: integrating the strategic plan with those of the strategic partners, individual commitment of employees, adoption of cloud technology informatic system, the rate of return on investment in the strategic process.

The strategic canvas for the substantiation of the strategic process has been updated in Figure no.3, as a result of the proposed changes in the previous analysis.
In this way were redefined the borders through which deciders consider choosing a specific internal or external team to perform this activity.
The informatic system was transferred from the group which develops and facilitates the strategic process to a decision criterion in choosing a contributor for this process. The choice is based on the strong global trend related to this phenomenon which requires as mandatory, rather than a preference for company's management, the implementation of such a system to deal with the competitiveness in the external environment.

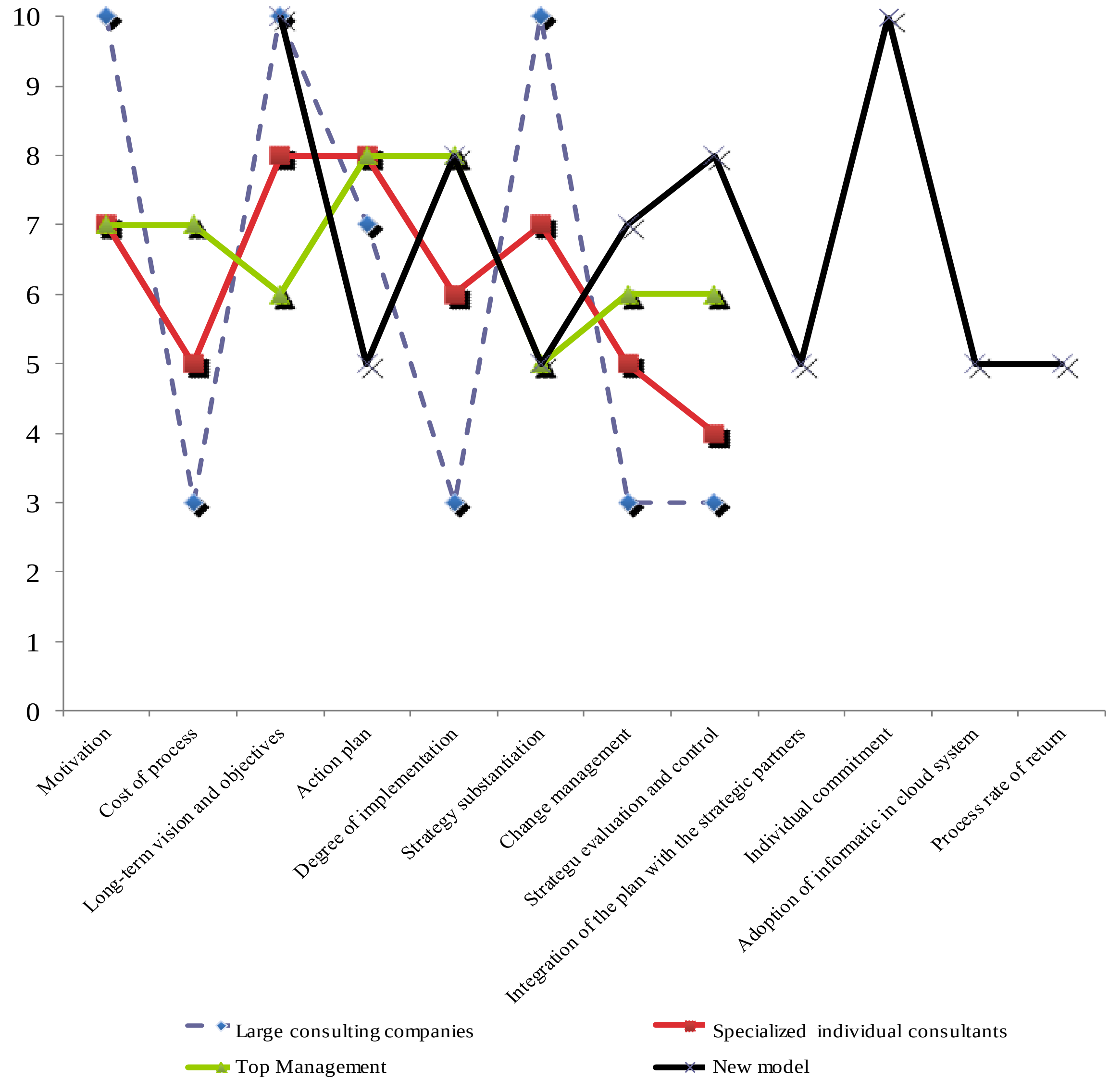

Figure no. 3: The strategic canvas with the redefining boundaries of the strategy development and implementation

5. CONCLUSIONS

The proposed model for identifying the needs to improve the strategy development strategy differs from classical models by providing high values for parameters related to long-term vision and objectives; at a level above average for implementation, evaluation and monitorization of the strategic plan, but superior to other alternatives; at the average level of the new introduced indicators, namely the adoption of an informatic system in cloud and calculating the return of investment in the process. The option for maximum concentration on the first two indicators is based on the need to ensure a solid basis for long-term sustainable development in emerging markets.

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