

Lesson ten_The Positioning School

This approach dates from the publication, in 1980, of Michael Porter's *Competitive Strategy*. The new idea was that only a few key or *generic* strategies are desirable or defensible in any given industry. Mintzberg summarizes the premises of this school:

- _ Strategies are generic positions in a market-place.
- _ That market-place is economic and competitive.
- _ The strategy formulation process is therefore one of selection of a generic position based on analysis.
- _ Analysts (in practice usually consulting firms) play a key role.
- _ Strategies come out of this process 'full blown'.

Porter's work includes, as well as his concept of generic strategies, a framework of analysis known as the Value Chain. The origins of this school are traceable to classic works on military strategy such as Sun Tzu's *The Art of War* (1971) and Clausewitz's *On War*, the link being

the treatment of the market-place as a battlefield. The development of this school is associated with the growth of specialized consulting firms in the strategy field, ones like The Boston Consulting Group with their Growth-Share Matrix and The Experience Curve and PIMs with its large empirical database. In their critique of this school Mintzberg and his co-authors make

the extreme assertion: 'no one has ever developed a strategy through analytical technique. Fed useful information into the strategy-making process: yes. Extrapolated current strategies or copied those of a competitor: yes. But developed a strategy: never.'

The Descriptive Schools

Amongst the Prescriptive group of schools the *Design School* is the one most characterized by having a single person as its central actor. Among the Descriptive approaches, the *Entrepreneurial School* stands out in this way. Here the 'visionary' holds centre stage, except in this case it is through applying gifts such as intuition, judgement, wisdom, experience and insight that ideas are translated into the bones of a strategy to which others will add the flesh.

The picture of entrepreneurs leading their vision to a reality goes back as far as any of the other schools, indeed to classical times. So Schumpeter represents a relatively early champion for it, writing as he did in the 1930s, although it has its exponents lately in Drucker, Kaplan and Mintzberg himself.