

- 2 The new BCG portfolio refers to the combination of the degree of achieved advantage with the way of achieving advantage, starting from small towards big.

General Electric, Shell Chemicals and other have given a great contribution to its pioneer development and application. In practice, the matrix portfolio is favoured due to its simplicity, clarity and simple use. All of them provide relatively simple, basically the same, core strategy guidelines and instructions related to the specific position of the strategic business unit on the matrix. The guidelines and instructions offer advice on developing and building, keeping or selectively investing, harvesting, i.e. extracting profit or retreating and shutting down.

The presented strategic management framework offers a wide basis for studying strategic management. To this day, great efforts have been made by authors to create works attempting to define the theoretical framework of strategic management. The creation of elements shaping the theoretical framework of strategic management can be found within the framework of the tradition of strategic management or such elements are borrowed from other disciplines in order to start considering the important questions of determining the theoretical framework of strategic management.

### **Porter's contribution to the development of the new paradigm**

In order to understand the contribution of Michael Porter to the development of the paradigm of strategic management, we need to consider the philosophy of the Harvard Business School (HBS) and the course titled *business policy*. The core of this process is certainly dominated by the *case study* method which assumes every company to be different and that it is impossible to make generalisations. The inductive approach is accepted, whereas the deductive approach is declined in the classroom.

Michael Porter, a long-standing educator covering the subject business policy at HBS, has never accepted the long known attitude of his colleagues that unique company cannot be grouped by any means. However, due to his conceptual knowledge, he has sharply recognised that everything can be combined into a single unit, and he structured a complex, integrated and multidimensional problem using the big picture approach. Michael Porter, following the death of Peter Drucker, has become the most influential guru of business strategy (Kiechel, 2010). The work of Michael Porter closely resembles the work of Igor Ansoff from 1975 (Grundy, 2003).

It can be argued that the work of Michael Porter is genuine to a high degree and a result of his own investigation leading to the development of his key ideas. He was given the title *university professor* in 2000, the highest degree there is at HBS in its, back then, 93 years of existence (Milisavljević, 2012). The importance of this title is highlighted by the fact that he is only

the fourth person ever to receive it. The title exposition describes him as a pioneer in the application of the principles of economics to solve the important problems of company competitiveness and national economy. He is one of the most influential, if not the most influential, individuals in his field (business strategy and company competitiveness).

Truly, he has become the most cited author in the *Strategic Management Journal* magazine in the 1980–2000 period. His book *Competitive Strategy* is the most cited book (quoted 266 times), whereas his book *Competitive Advantage* is the third most cited book (quoted 135 times). Similarly, an old bibliometric study recognises Michael Porter as a key hub in strategic management research alongside Oliver Williams, Jeffrey Pfeffer and Henry Mintzberg (Huggins and Izushi, 2012). He founded the Strategy and Competitiveness Institute at HBS in June 2001. As the Institute's director, he is constantly conducting interdisciplinary research that enhances the intellectual capital of HBS. He usually presents his findings at the World Economic Forum where he functions as a moderator. His presence as a moderator has been noticed by politicians which can be seen through a seemingly irrelevant anecdote during the introduction of Bill Clinton at one meeting:

... as I have never attended such a meeting, I asked president Clinton to stop by and attend the introductory part and I wanted to congratulate him and his team for founding this (The Clinton Global Initiative). President Clinton and I had a tradition of playing golf on New Year's. I can say, without a doubt, that he is a mediocre golfer. He is fun, energetic, but you know, his results, are, well, fair to middling. However, I need to point out that he is a world class organizer and motivator and this thing (The Clinton Global Initiative) is simply amazing. So president Clinton, I would like to congratulate you on your overall effort.

The work on *The Institute* is focused on three key areas:

- 1 Company competitiveness study and its implications for strategy;
- 2 The study of competitiveness of nations and its implications for strategy;
- 3 Interrelationships (competition and competitiveness).

After everything said, it is hard to deny that Michael Porter is not a dominant author in the field of strategic management with the highest influence on managers in and beyond the USA. Michael Porter has published two of the most influential books: *Competitive Strategy* and *Competitive Advantage*. The *Financial Times* has declared these two books as the most influential managerial books in the last quarter of this century.

The book *Competitive Strategy* has been published 63 times and translated into 19 languages, whereas the book *Competitive Advantage* has been published