

expanding the market to fit its products on the one side and an easier flow of critical information on the other side, deregulation is a process occurring with an increasing frequency. Companies, protected until now, have all of a sudden become vulnerable by realising the importance of information technologies as a vital component of companies success (Lagumdžija et al., 2008).

The number of competitors in the field of information technology was narrowed down to two: SAP and Oracle. The development of SAP and Oracle systems is completely compatible with the demands of contemporary strategic management. Keep in mind that Michael Porter tied the essence of generic strategy to value chain activities and forces within the structure of the industry focusing on the information for the planned and action component, essential for business strategy and operative efficiency.

Utilising the aforementioned information technologies provides a better understanding of the industry and company based on other and more versatile information. A better understanding of the activity leads to a more comprehensive overview of the preparation and conduction of decisions concerning cost reduction in a company and value enhancement for the customer.

The fundamental difference between the world of the so-called *Porter's powers* and the world of the so-called *contemporary powers* is, above all, the increased accentuation of the significance of information technologies. Whereas information technology was a tool for conducting change in the world of Porter's powers, it becomes a foundation for compromising the market in the world of contemporary powers.

Different approaches have led to the creation of the paradoxical foundation of strategic management, introducing a certain type of confusion into the studying and understanding of this uncompleted discipline by theoreticians and practitioners.

The contribution of Michael Porter to the development of the new paradigm imposes a need for a different understanding of strategic management. To what extent can we justify the current position of this guru on the list of the most influential theoreticians of strategic management after the death of Peter Drucker?

Analyse the contribution of Michael Porter to the development of strategic management in the context of the contemporary paradigm by comparing it with the definitions of strategic management by earlier authors such as Chandler, Ansoff and Andrews.

## Note

- 1 Business policy received its full affirmation and popularisation in the 1950s and 1960s. The 1951 formulating and administering business policy textbook published by Christiansen, Berg, Salter and Stevenson stands out by defining business policy in its wider sense. After this publication, the business policy textbook published by Learned, Christiansen, Andrews and Guth appears in 1965 and many authors state that this book is the first significant step towards representing business policy as a form of strategic management.