



Strategic planning, strategic management, strategic foresight: The seminal work of H. Igor Ansoff

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ARTICLE INFO

Article history:

Received 25 March 2010

Received in revised form 28 May 2010

Accepted 29 June 2010

Keywords:

Strategic foresight

Strategic planning

H. Igor Ansoff

'Environment Serving Organizations' (ESOs)

ABSTRACT

H. Igor Ansoff was the prominent reference in the corporate strategy field, especially during the 1960s and 1970s. His bestseller, *Corporate Strategy*, was the first to give a conceptual framework and a tool box to top managers, consultants and scholars. Recognized as the real pioneer of the field, he was seen by Henry Mintzberg as also the leader of the strategic planning school. The aim of this short article is to show that he was also the father of strategic management and a leader who gave an impressive set of concepts and ideas to promote an integrative and flexible view of strategic planning, strategic foresight, organizational structures and processes.

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1. Introduction

Without a doubt, H. Igor Ansoff occupied first place in citation index in the strategy and strategic planning field during the 1960s and 1970s. Only in the 1980s would Michaël Porter take over the top rank. This prominent influence for twenty years was entirely linked to the worldwide success of Ansoff's first book, *Corporate Strategy* [1]. Published in 1965, it remains a classical reference for many scholars in the field, even if the author is mainly seen as the leader of the 'strategic planning school', as accredited by Mintzberg, especially in the famous controversy between the both, published in the *Strategic Management Journal* in 1991 [2].

Although 'strategic management' is now the official flag of academic communities in these fields, few scholars, especially the younger generation, know that in 1973, Ansoff was the father of this denomination. He was the one who produced the vision and main concepts to enlarge strategic planning and corporate strategy.

Obviously, it would be irrelevant to see Ansoff as a pioneer in long-range forecasting or future studies as well as Jantsch, Ozbekhan, Kahn... to 'name-drop' a few key authors known in the English-speaking world. However, a thorough investigation of his forty years of published production reveals that Ansoff was mainly interested in creating concepts, tools, and procedures for helping 'Environment Serving Organizations'¹ (ESOs), to identify weak signals and emerging events, to develop several scenarios and, lastly, to create their own future. For this reason, we should also consider Ansoff's contributions to strategic foresight.

2. From strategic planning to strategic management

As mentioned, the 'first Ansoff' can be seen as the father of the corporate strategy tool box. Until his 1965 book, the field was covered entirely by business case studies teaching, using the large net 'swot model' of Harvard professors – Andrews, Christensen, Guth, Learned [3] – and documented with historical case studies written by Chandler [4].

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¹ It is interesting to note that Ansoff's first interest was the corporation. But in the 1970s, he conceptualized the 'Environment Serving Organization' (ESO) to show how strategic management can be applied to a wide range of particular organizations.

Ansoff's contribution, original and synthetically heuristic, may be seen as the result of long-run action and research in his two former corporate positions: 1) eight years in the famous RAND Corporation; 2), seven years as planner, vice-president and general manager of the industrial technology division in Lockheed Electronics Company.

Today, few students, teachers and consultants realize that they are using, on a daily basis, a large set of concepts and tools elaborated in this seminal book and developed further by consulting firms (Boston Consulting Group, Mc Kinsey, AD Little) or other researchers. Examples include the three levels process of decisions – strategic, administrative, operational; the objective system; the concepts of synergy and competencies profile; the matrix products \times markets; the generic strategies and the growth vector; the portfolio analysis.

Obviously, Ansoff did not discover, *stricto sensu*, all these notions. But, for the first time, strategy analysis and formulation could be supported by a large systematically and coherent framework, relevant for ill-structured and complex simulations or problems (to speak like Herbert Simon).

Ansoff appeared as the right man at the right time with the right tools to enrich long-range and strategic planning which were implemented in the 1960s and 1970s in large American companies and sold in the academic world by Ackoff, Steiner, and others. Indeed, the fit was so good that the father of corporate strategy became almost the champion of strategic planning in the eyes of critical commentators, especially Mintzberg.²

In fact, Ansoff was deeply convinced that deliberate strategies are necessary to achieve long-term performances and targets. However, at the same time, the new idea of strategic planning soon became overly fat units within large American firms, e.g., up to a total of 800 planners in the GE headquarters, and started to come under attack. Although, the answer given by Ansoff was very clever, it was by no means defensive. In fact, he mostly agreed on the weaknesses of strategic planning, as highlighted by comments and criticism. In a very reactive manner, he produced a research program and a conceptual framework to introduce flexibility to the procedures and to enlarge the scope of strategic planning, under the refreshed name of 'strategic management' [5]. Under his pen, strategic management appears as an enlarged conceptual and technical framework which deals with deliberate strategy implementation, catches emerging bottom-up strategies, link strategies, structures and management systems and try to balance economical calculus with power and political processes in and around the firm.

During the ten years that Ansoff spent in Europe (1973–1983), in Brussels at the European Institute for Advanced Studies in Management (EIASM) and in Stockholm (School of Economics), he produced an impressive array of concepts and tools which can be found in two books: *Strategic Management* (1979) [6] and *Implanting Strategic Management* (1984) [7]. The first work attempts to build an applied theory of strategic behavior; the second book, explicitly addressing practitioners, gives the tool box to implement strategic management in different kinds of ESOs, while facing turbulence and often unpredictable threats and opportunities, discontinuous changes, and constant renewal.

Once again, the framework is a systemic approach to prepare organizations to be more proactive, to anticipate events and to avoid bad surprises. In Ansoff's own words, we can say that he wants to produce future-oriented real-time integrative management, in which forecasting and scenarios enable the organization to identify, as soon as possible, weak signals, threats and opportunities which can occur and to monitor the constant transformation of capabilities cultures, structures and management processes in a coherent way.

3. Ansoff and strategic foresight

As implied above, Ansoff is not seen as a father of future studies even if, during his years at the RAND Corporation, he had to deal with difficult long-term investments and had meetings with several American experts in the field. His main purpose remains the organization or corporate strategy. Nonetheless, today one can say that his vision and approach were closer to strategic foresight than to long-range forecasting and planning.

Like everyone in those days, Ansoff spoke about forecasting, but all the chapters of his last two books show that he was 'foresight driven'. Especially, if we take *Implanting Strategic Management*, we can find: strategic issue management, weak signals and graduated response, strategic surprise management, diagnosing turbulence, managing strategic posture transformation, patterns of responsiveness, alternative methods for managing a discontinuous change and so on...

In *Strategic Management* itself, which is theory-oriented, Ansoff is talking about perception of the environment by the organization according to the level of turbulence when he says that "an ESO is myopic if its perception of the environment is narrower than needed to capture the full scope of the environmental turbulence [...] and that it is in tune with the environment when the range of its perception matches the environmental turbulence." He goes further to call an ESO foresightful when its perception scope exceeds that of current environmental turbulence [6, p 145].

It is particularly interesting to read these two books once again, especially during these last months of crisis in both economics and governance. The Ansoff construction appears now as a very clear and early warning signal against Friedman's view and his shareholder maximization. Ansoff was explicitly engaged against Friedman and was trying to promote a stakeholder – his word was 'constituencies' – theory of governance and strategic management. For him, managerial activity is a necessary balance and negotiation between different sets of interest and criteria. In particular, economic calculus must be challenged by political processes in and around the firm. Only this balanced management is able to produce sustainable development in the long term.

² Henry Mintzberg gave, early on, a large and relevant '5 Ps view' of strategy – perspective, plan, program, ploy, and pattern. But he developed later criticism against the "design school" which became so radical that they flirt with the destruction of strategy's *raison d'être*.

Yet it is also the epistemological posture and the preference for action and research which appear very specific to and close to foresight efforts done, especially in France. It is worth recalling here that Ansoff graduated in engineering and earned a PhD in applied mathematics. Actually, during his time at the RAND Corporation, he produced a lot of quantitative models for the aeronautics industry. However, in the field of strategy, he was by no means interested in validating average micro-relations of the type *if A then B ceteris paribus*, which he considered irrelevant in helping top managers to create the future of their organizations. For this reason, Ansoff always stayed out of the mainstream of American management research. Out of the mainstream, and often seen as a 'non scientist', as he told us, he was nonetheless top-ranked, even in academic journals.

Perhaps it is worth remembering that he lived in the USSR until the age of 18, and that he reached a high level but was always fighting in his career in the United States and that he wanted to live in Europe for ten years "to see something more complex and challenging". We might like to remember that he was, over the long haul, a planner, Chief Executive Officer, consultant, teacher and researcher. Moreover, he began to write *Corporate Strategy* during his last year at Lockheed Electronics while Vice-President, before joining the Carnegie Mellon University, where he would stay five years alongside Herbert Simon, Richard Cyert, James March, Harry Leavitt, to name a few. Not bad for a beginner in the academic world! Yet Ansoff left this outstanding university to become founding dean of a new business school at Vanderbilt University, Nashville, Tennessee. Then, a few years later, he would cross the Atlantic Ocean to guide European PhD students in programs in Brussels and Stockholm. In 1983, he did return to the USA, but to San Diego, the far south of the West Coast.

This rather singular life and 'path dependency' do provide some keys to understanding his research interests and epistemological position. In the last chapter of *Strategic Management*, Ansoff explains why he believes in an epistemology of complexity which pushed him to systemic approaches and design effort, against analytical reduction and positivism which dominate the field in the American business schools. His intellectual roots are the ancient Greeks, Leonardo da Vinci, Galileo, but also Niels Bohr and Albert Einstein. The pure deductive method is irrelevant in such an epistemology and scientific project. He feels we must go from particular cases to generic propositions and have feedback, we need to practice abduction, conception and imagination. However, we also have to produce axiomatic and conceptual frameworks as grounded guidelines for action.

Maybe we can understand Ansoff's stance but also his singular position in the US academic field when he refers to Alfred Whitehead, the great logistician. In 1929, Whitehead was fighting against empiricism which he considered as a form of colossal dogmatism. And he was defending, *a contrario*, alternative scientific criteria: logical consistency, fit with life experience, relevance for human projects, clarity of propositions...

In short, it is really not too late to reread Whitehead and Ansoff.

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