



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

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## 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'<sup>1</sup> (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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<sup>1</sup> 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.<sup>2</sup>

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.

<sup>2</sup> 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*.

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