Bachelor thesis
Spring semester 2008

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Strategy and planning in Swedish companies

- Corporate perceptions: A study of six Swedish companies
Preface

Headline Strategy and planning in Swedish companies
- Corporate perceptions: A study of six Swedish companies

Problem Although not directly making the news headlines daily, strategic planning is a continuously interesting and important topic in the modern business society and hence indirectly appears in the news on a daily basis. Companies have as long as they have existed strived to find the optimal structure and hence strategies for their operations. This is an aspect that becomes increasingly important in today’s fast changing and globalized economy. Could the fact that Swedish telecom giant Ericsson dismisses 4000 people worldwide (01/02/2008) with an additional 300 people (17/04/2008) or that the Swedish-Finnish paper company StoraEnso closes their paper mill in Norrsundet, Sweden – be due to the lack of existing and well functioning strategies?
- How is strategic planning perceived in Swedish companies?

Purpose Even though not looking at companies like Ericsson or StoraEnso, I would like to examine how some Swedish companies perceive strategic planning and if plans are distributed and communicated within the companies.

Theory Most of the theory used in the production of this thesis has been taken from various books on the subject and articles found in the Umeå University library databases.

Method I aim for a qualitative approach using theory and empirical studies by interviews with a selected number of company executives. In order to better grasp the meaning of corporate strategy and strategic planning I have undertaken a deductive method; theory guides my work and gives me valuable information regarding background, which models to use et cetera.

Result Although the research question mentions Swedish companies, this report does not aim to give any real answers or solutions, or to generalize any conclusions. Rather I wish to present some of the background to strategy and the reality in the companies that I have chosen to look at, possibly giving an insight to what it could look like at other Swedish companies.
Abstract

Frequently discussed in different contexts, corporate strategy and strategic planning is something which importance hardly will diminish over the coming years as competition grows harder. The needs for companies to think ahead of their business operations have grown increasingly during the decades.

From the viewpoint of an independent researcher I have decided to look at Swedish companies operating in Sweden and abroad. I want to know how the strategic planning process takes place in these companies, in order to give an insight to what the process could look like in Sweden today. My research question has been: How is strategic planning perceived in Swedish companies?

I have selected some different theories from the university library’s collection of databases, respectively dealing with leadership, outsourcing, business intelligence et cetera. These theories are the foundation of the semi-structured and by telephone, in-person and internet performed interviews with seven different managers at some selected companies in different businesses, mainly located in northern Sweden. Asking questions based on the underlying theories I have been able to draw some conclusions about the planning processes in the studied companies.

The study shows that almost all companies have some kind strategic planning process and that more or less all of them to some extent consider some of the theories employed in the theory chapter. While only two companies seemed to be quite strict, the rest had some emergent semi-structured strategic plan with much flexibility, which is not necessarily wrong.
Table of Contents:

1. Introduction ..........................................................................................................................................................5
  1.2 Historical Background ..................................................................................................................................6
  1.3 What do I Want to Know? .............................................................................................................................6
  1.4 Why do I Want to Know This? – Purpose ......................................................................................................6
  1.5 Delimitation ..................................................................................................................................................7
  1.6 Outline ..........................................................................................................................................................7

2. My Strategy – Methodology ..............................................................................................................................7
  2.1 My Pre-Comprehension ..................................................................................................................................8
  2.2 Expectations ..................................................................................................................................................9
  2.3 Literature Review ..........................................................................................................................................9
  2.4 Problems with Qualitative Research and Criticisms of Sources ..................................................................10
  2.5 How I Look at Things ...................................................................................................................................11

3. Strategic Theory ...............................................................................................................................................12
  3.1 Theoretical Definitions ..................................................................................................................................12
    3.1.1 Mintzberg’s P’s .........................................................................................................................................12
  3.2 Different Views on Strategy and leadership ..................................................................................................13
    3.2.1 Outsourcing and Partnerships as Strategy ...............................................................................................15
    3.2.2 Sustaining Strategy, working with Business Intelligence and moving forward in the IT Society ............17
    3.2.3 Strategic Schools of Thought ................................................................................................................17
  3.3 Summary of Strategies ..................................................................................................................................22

4. Practical Method ................................................................................................................................................25

5. The Companies ..................................................................................................................................................25
  5.1 The Interviews ..............................................................................................................................................26
    5.1.1 Mikael Hugoson – NyhlénsHugosons AB ................................................................................................26
1. Introduction

In a recent article about profitability in the paper industry, consultant Fredrik Weissenrieder states that “if a company does not always strive for the perfect strategy the company will ultimately fail”\(^1\)

Although the subject matter is not new, there has been a recent focus on strategic planning and how this is used, e.g. the new ad campaign for corporate strategy by PricewaterhouseCoopers\(^2\) in Sweden.

With strategies I mean “the principles that show how an organization’s major objectives or goals are to be achieved over a defined time period.”\(^3\)

Another definition of strategy according to Quinn could be to say that a “strategy is the pattern or plan that integrates an organization’s major goals, policies, and action sequences into a cohesive whole. A well-formulated strategy helps to marshal and allocate an organization’s resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment, and contingent moves by intelligent opponents.”\(^4\) Quinn furthermore argues that everything that is not core business for the company should be outsourced\(^5\).

Another example is the use of strategy as means of corporate social responsibility. In this case it means that the strategy guides the operations of the company and gives a competitive advantage. Corporations, such as Ben & Jerry’s, the Body Shop and Nestlé have committed to long-term goals such as these. Nestlé for example has a strategic position that benefits both the company and the society where they operate. An example of this is Nestlé’s move into the Indian milk market in the district of Moga. Instead of simply exhausting the resources Nestlé actually saw the benefit in helping the local community in order to safeguard long-term presence in the Indian market by education, investments and other stimulatory incitements.\(^6\)

Strategy in this case and others with the other companies mentioned above means taking on a position where they not only have a good looking strategic plan, but one that actually results in actions. Like Porter\(^7\) mentions, corporate strategy can easily be copied if it is merely written down. Therefore, if companies would see their strategic plans as competitive advantages, maybe more attention would be given to this subject. Porter argues that strategy is about making choices, but then again, these choices should not be just written down in a document and simply “lie there” but rather be actively used in the operations as a guide.

Henry Mintzberg and Michael Porter are two researchers that have studied the topic of corporate strategy thoroughly. Among other things, Mintzberg has set up a model containing 5 different aspects as he interprets strategy: plan, ploy, pattern, position and perspective\(^8\).

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2 PricewaterhouseCoopers Sweden: www.visionsbyran.se (2008-04-09)
7 Ibid, p.11.
1.2 Historical Background:

In his book Corporate Strategy, writer Richard Lynch discusses the historical context of strategic planning. Lynch argues that Strategy was not really thought of until the early years of the 20th century. Different writers started to write about leadership and management tasks, and Henry Ford began to develop strategies that are still around. The first- and second world wars followed and demanded their outlines for the shipping of military equipment. However, Lynch argues that it was not until the late 1940’s that corporate strategy started to develop realistically and foremost in North America. Scholars and writers followed and strategic planning started to become more frequently discussed in the companies. With the 1970’s and 1980’s came the emergent corporate strategies discussed later on, the 1990’s have- and the 2000’s is experiencing its share of environmental concerns and the need for new strategies. Judging by history, strategic planning seems to become more and more important for the company striving to survive and succeed.

1.3 What do I Want to Know?

My problem figures hence around the question:

“How is strategic planning perceived in Swedish companies?”

In this I have chosen to look at how strategy and business intelligence distributed within the selected companies and how integrated the employees are (from the executives view) in the different companies strategic planning. All this revolves around how the different executives reasons about the concept of strategic planning.

1.4. Why do I want to know this? - Purpose

Although not aiming to generalize, I find it interesting to know if the chosen companies have a strategic plan and vision at all. As I have chosen to look at relatively large companies I believe that the results are somewhat valuable and could provide a hint about what the reality could look like in other Swedish companies of the same size.

I am interested in knowing if the meaning behind corporate strategy is merely words or if it is actually functioning concepts that lead to actions within the studied companies. That is, I would like to get somewhat of a deeper understanding about the strategic planning in the studied companies. I would also like to take this opportunity to look into this and hopefully be able to shed some light on the importance of strategies for the organization as a whole. As a result I should be able to draw some conclusions about the companies studied.

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1.5. Delimitation

In a broader context I am aware of the significant impact of the international arena, especially in terms of the theory applied. However, in my study I have chosen to limit myself to Sweden and Swedish companies that might or might not have an international presence. The reason for this is that I believe that it will be harder to include foreign enterprises located outside of Sweden in my thesis since this most likely would be time consuming in comparison to Swedish and/or foreign companies operating in Sweden. The companies’ headquarters are mainly located in the northern regions of Sweden which could lead to different results than for example if the study included many companies located in the south. I also concentrate on interviewing the top management in these companies and not the regular employees because of time constraints and also because this is a qualitative and not a quantitative research.

Since there is no real or correct answer to how strategy should be but rather general ideas and theories constantly evolving, I have chosen to look at some different and quite central theories from well known and published researchers that are often mentioned in the context of strategic planning. This could of course mean that I have missed something, but again, since strategy is more about interpretations I feel that my approach is somewhat correct. Most interviewees have in common that they are entrepreneurs and their companies are constantly growing.

1.6. Outline

My work centers around the question “how is strategic planning perceived in Swedish companies?”

- In chapter two (2) I will move on to discuss my methodology.
- In chapter three (3) I will go into my theoretical framework.
- Eventually, in chapters four through seven (4-8) I will conclude, discuss and evaluate my study.

2. My Strategy - Methodology

In regards to theoretical approach, I have assumed deduction to be the most suitable approach. Deduction means that I have started out with reviewing proper theory, moved on to make my own observations i.e. collected data from interviews, and then gone back to my problem statement in order to conclude\textsuperscript{10}. It would most likely be difficult to just interview the different managers without any theoretical background, and also hard to analyze the results.

Since my study is qualitative and focuses on how strategic planning is perceived in Swedish companies today my research strategy and design can be described as a cross-sectional approach\textsuperscript{11}. In essence this means that I at a single point in time have performed qualitative interviews with seven executives at seven different companies. It is for example not a case study since I am studying several different companies, and not a single company, where I try to show some of their strategic planning process and it is hence not a deep study of every single company.

\textsuperscript{11} Ibid, p. 71.
I have chosen to interview mostly the presidents of these companies since it is most likely to believe that these persons should be able to give an explanation of the companies’ strategies, if existing. Transcription of the results of the interviews was done carefully in order to limit any loss of information.

Moreover, I have read through the works of other authors at the c-level in order to gain an understanding of the different parts that could or should be included in a study at this level.

In terms of epistemological considerations – how reality is studied, I have assumed interpretivism since I believe that my research question how strategic planning takes place in Swedish companies cannot be interpreted in any other way but with a social scientific model. Interpretivism takes into account that humans and their institutions need to be interpreted differently and that a pure natural science approach is not suitable\(^\text{12}\). In order to gain access to know how managers in the different companies think and reasons about strategy, it is essential to assume an approach that makes such a study possible.

As far as ontological considerations – how reality is viewed, I have taken constructionism as my position. The researcher needs to decide if reality is external to social actors or if reality is a social construction by the social actors\(^\text{13}\). From the viewpoint of my study, I believe that the managers have a role in fashioning their organization and that it is in constant change. By choosing this constructionist view I acknowledge that I aim to present a “specific version of social reality”\(^\text{14}\) and that a there is nothing definite in this reality.

Paradigms, as discussed by Bryman and Bell\(^\text{15}\), tells a researcher what should be studied, how the research should be done and how the results should be interpreted. I am an interpretist trying to describe what is going on in the studied companies, and not make any real judgments about the companies as such.

Starting out with theoretical research, I have then performed a smaller study that includes interviews with seven different executives at companies (NyhléensHugosons, Hädges, Hotell Lappland, IKEA, Hotell Dragonen, MAX) selected by me, in some different sectors in order to see how things are interpreted and implemented.

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13 Ibid p. 22.
14 Ibid p. 23.
15 Ibid, p. 25.
2.1 My Pre-Comprehension

When it comes to my theoretical comprehension, I believe that I have some of the qualifications needed to write this thesis. I am a final year, undergraduate student at the Umeå School of Business and my educational background as student at the International Business Program (IBP) and the fact that I have lived, studied and worked in four different countries, is something that has given me great insight to different business environments and the international field, especially in terms of some of the theory that follows in this thesis.

Within my program I have not only studied courses within business administration, but also economics, statistics and economic history. Furthermore I have working experience from both Swedish and foreign companies as well as involvement in student organizations such as HHUS at Umeå University. Educational-, organizational- and working experience are all good inputs when writing and relating to strategic planning and how it differs among the different institutions, however none of them have influenced me in any subjective direction whatsoever, but rather encouraged me to go further with my interest for studying what strategic planning process looks like- and if it exists in Swedish companies or not.

2.2 Expectations

After discussing this subject with my supervisor, we could agree on that it is a current as well as highly important and interesting subject. Relatively little research about the subject has been published in Sweden, and the actuality will hardly decrease over the years. Entrepreneurship will most likely continue to grown with people wanting to try their products and services in the national as well as international arena. This implies that ideas have to be different and management to be flexible in order for the companies to withstand the competition and survive. In order to raise the concern and interest for the topic, a study has to be made in order to show what the reality looks like today. The question is hence whether strategic planning in some, by me selected companies is common or not (see motivation under practical method).

2.3 Literature Review

In order to find more information about my chosen subject and to be able to answer my research question whether strategy exists in the studied companies or not, I have used the university library’s database SAMSÖK which in the area of business studies covers Affärsdata, Business Source Premier (EBSCO), Emerald Fulltext, Helecon and Libris Websök. The articles taken from the database have all been peer-reviewed which implies that they are of a higher quality. Furthermore, the library resource ALBUM has also been employed in order to find mainly books on the subject. Few external internet resources have been used since it can be hard to evaluate their reliability. Following below are the words and phrases used when searching for relevant literature and that has resulted in valuable material:

- Strategy

- Corporate Strategy

- Strategic Fit

- Business Intelligence
In addition, I have searched for material from researchers Porter and Mintzberg since I already knew from earlier that these two researchers have written extensively on the subject.

When choosing the articles used, I have started by reading through the abstracts of interesting findings, and then gone further by reading and ultimately using the ones I have found as relevant for this study.

2.4 Problems with Qualitative Research and Criticisms of Sources

According to Bryman and Bell qualitative researchers are more interpretivist than quantitative researchers. However, critics argue that there are sometimes different views among quantitative and qualitative researchers on what is really relevant for a study. Quantitative researchers also argue that personal relationships common in qualitative studies are negative for the outcome of the study. Another issue discussed is the difficulty of replicating a qualitative study because the lack of standard procedures. That is, another researcher may not be able to go to the same interviewees as me and hence get the same result. Nonetheless, I believe that looking at a few selected companies and not aiming to generalize (which is another critique of qualitative research) makes up for that aspect. The researcher can also go native and hence influence the result of his findings, which in the end affects the quality of the work and implies a problem with transparency as well. However, I have no personal connection whatsoever to the companies included in this thesis.

All the articles used in the production of this study have been taken from the university library’s electronic resources. Books have also been obtained from the university library as well a few other sources such as personal collections. All material comes from well renowned publishers and writers which implies a higher quality. The material is also highly current with most of it written within the past 5-10 years. Like earlier mentioned, the researchers are well renowned, but that does not necessarily imply that are always correct. Then again, most researchers’ material is coherent with the works of others in some aspect.

I believe it is important to incorporate a somewhat large span of different theories in order to find out if strategy really exists in the companies studied. Writer Cynthia Hardy highlights this issue in an article about discourse analysis by arguing that there are many different texts and that it is hard to choose between them and also justify your choice. Another issue when selecting text material is also the analysis of it, something that according to Hardy many times is both hard and time consuming, moreover it needs to be done cautiously.

Hardy mentions four different challenges when conducting research, these being:

-Data and Theory: Deals with problems regarding the collection and analysis of e.g. underlying theory. Did I for this study choose the proper material in order to be able to answer my research question on how strategic planning is perceived in Swedish companies?

18 Ibid. p. 36.
19 Ibid, p. 25-47
-Text and Context: Deals with the issue of interpretation of material. Did I for example interpret my sources correctly so that my theoretical framework can be used in order to assess the strategic planning routine in the different companies I chose to study?

-Structure and Agency: Deals with the concerns associated when assuming a constructionist approach as in my case where I believe organizational strategies are a product of human interaction and leadership.

-Reflexivity and Pragmatism: Deals with the issues of reflecting back on my work and to understand how my research has shaped the outcome of my study. That is, if I have interpreted my theoretical framework and interview material correctly so that my result is reasonable and provides answers to how strategic planning takes place in the studied companies.

2.5 How I Look at Things

I try to look at things from the perspective of an independent analyst or consultant. Depending on the results, I will try to highlight some things that maybe could be done differently based on the theories applied in this study.

Depending on how I choose to study things and how I choose to interpret things, I have chosen standing in regards to epistemological and ontological considerations. Since I do not have any background as a senior manager in any commercial business, I choose to assume interpretivism as my epistemological orientation. According to Bryman & Bell\textsuperscript{20}, this means that I do not study things from a purely natural science approach, but rather I believe that in this case and with our subject I need to apply a social science method that better deals with the differences between people and nature. The positivist orientation on the other hand is more applicable in a setting where a hypothesis needs to be tested and should be free from values.

From an ontological standpoint - how I choose to see and interpret things - I am a constructionist. This basically means that I believe that the organization is an existing social construction created by the people. Corporate strategy and strategic planning are more than anything constructs by the people associated with the organization.

As mentioned earlier, I choose to look at a few different companies and their strategies. This implies that I use a comparative design in my work in order to be able to distinguish some differences between the companies. However, my thesis is not meant to give a “true” answer, thus my work cannot be generalized. Rather, I want to present the current situation in regards to corporate strategy in the companies studied.

3. Strategic Theory

In this part, the theoretical implications will be discussed.

The theory part follows my own mode (starting with definitions and ending with schools of thought):

- Definitions → Five P’s → Different Views
- Outsourcing & Partnerships → Sustainability, BI & IT → Schools of Thought

Model 1 - Strategies

3.1. Theoretical Definitions

According to Whittington, Bracker presented in 1980 that strategy was first referred to in the ancient Greek in “the Greek word strategos, ’a general’, which in turn comes from roots meaning 'army’ and 'lead’”\(^{21}\). Another researcher, Porter declares; “Strategy is the creation of a unique and valuable position, involving a different set of activities”\(^{22}\).

Simply put, strategy is about making choices and marking the direction in which the company should aim to go. These choices involve for example what business a company should be in, what product or service it should sell, where to produce, where to sell et cetera. Does this kind of thinking and planning take place in for example Max?

As Mintzberg et al. states; “No self-respecting business today would be without a strategy”\(^{23}\)

Strategic positions can be based on customer’s needs, accessibility or the variety of a company’s products or services.

3.1.1 Mintzberg’s P’s

Henry Mintzberg a researcher at McGill University in Canada, has formulated a model containing 5 different P’s of strategy, as he sees it and this is also heavily interlinked with the definitions of strategy:

- **Plan**: Strategy is a Plan, an intended action, guideline(s) constructed in order for the company to be able to deal with a certain situation. Mintzberg furthermore argues that strategies are developed consciously and for a purpose. Does e.g. Hotell Lappland have a plan?

- **Ploy**: Strategic planning can be a maneuver created to scare or intimidate a competitor. For example, a company can threaten to expand into a foreign market in order to keep competition from expansion too. The intimidation is hence the strategy and not the outcome of the intimidation itself. Is e.g. strategic planning a ploy for NylénsHugossons?

- **Pattern**: Mintzberg suggests that strategy alone is not sufficient to gain any advantages. Behavior is also an important part and functioning strategy should lead to consistency in behavior. However, it does not imply that it is intended from the beginning, but could also be emergent as in an emergent strategy that continuously develops and as a result of previous actions.

- **Position**: Deals with the “niche” of the company and its position in regards to its competitors.

- **Perspective**: Mintzberg describes perspective as “strategy in this respect is to the organization what personality is to the individual,” or in other words how the company interprets itself in its environment. An example can be Dell who is a leader and innovator in its industry versus Systembolaget in Sweden who merely tries to stick to its monopoly and hence protect what it has got.

### 3.2 Different Views on Strategy and Leadership

Strategy in essence means choosing how to perform the company’s activities differently. But who is making these choices and how? In his book “Moments of Truth” the former CEO of Scandinavian Airlines - SAS, Jan Carlzon describes his view on leadership and strategy as the responsibility of the manager to create the pre-requisites for the work, and that a manager is not hired to take every single decision and be expected to know everything regarding the business. The manager should according to Carlzon put up the framework and the goals of the company, then all this should be distributed within the company, hence communication must be a keyword for the organization. In his book *What is Strategy – and does it matter?* Writer and researcher Richard Whittington describes just Carlzon as a lauded exemplar for managerial imitation.

Good communication of the key leading performance indicators is also something that researchers Gjerde and Hughes mentions in their article “Tracking Performance: When Less is More,” managers might get caught up in some sort of dysfunctional strategy race, and instead of keeping track of what is really valuable to communicate within the company, all kinds of measures instead tend to complicate matters. Gjerde and Hughes also argue that a winning or “complete strategy” is a

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24 Ibid, p. 26  
25 Ibid, p. 26  
26 Ibid, p. 27  
27 Ibid, p. 27  
30 S. Gjerde et al. Tracking Performance: When Less is More, Management Accounting Quarterly, Fall 2007, p.1  
31 Ibid, p. 8
strategy that links employee satisfaction with customer satisfaction and ultimately profit in a positive sloped diagram shown below:

Model 2: Complete Strategy Model by Kathy A. Paulson Gjerde and Susan B. Hughes\(^{32}\)

This model is coherent with the arguments and experiences of Jan Carlzon during his years as CEO of Scandinavian Airlines.

Again, Gjerde and Hughes argue that it is important to think about how to measure what is a profitable strategy and what is not a profitable strategy. Because just like with the old "GIGO"-saying (garbage in, garbage out) what you get is a result of what you measure. That is, should the e.g. a company measure customer satisfaction or how quickly the customer is served? A so called balanced score card containing a number of measures can be used to evaluate strategic performance.

It might be hard to find many straight forward right or wrong answers when it comes to strategic planning and most often the current chief executive has his or her view of what should be done in order to achieve success. Mintzberg et al. argues that strategy is about distinctive capabilities and that there are no generic strategies, but rather quite a few interpretations of the concept. Hence, strategy varies depending on what is right for you\(^{33}\). What is e.g. Fredric Edin’s, owner of Hotell Dragonen, view on strategy and how does he interpret leadership?

However, there are quite a few basic concepts that could be beneficial for the executive searching for a strategic fit in the company. Examples of these are SWOT-analyses (Strength, weaknesses, opportunities and threats) which is a basic mapping of the company’s surroundings, benchmarking

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\(^{32}\) S. Gjerde et al. Tracking Performance: When Less is More, Management Accounting Quarterly, Fall 2007, p.1  
(comparison with other leading companies in preferably the same business) et cetera. As already clearly visible, leadership is a great influence to strategy. Without a strong leader, strategy will most likely be forgotten, and soon the company too. Frank J. Diekmann writes about three different characteristics of successful companies:

- **Know your market**: this is the ground piece of corporate strategy and the earlier mentioned SWOT-analyses and mapping your environment, including competitors, segments, mindsets of the company’s customers. Clearly put, less assumptions and more hard facts are needed. Does e.g. Hägges look at opportunities and treats in their competitive environment bearing in mind that they could be losing market shares in comparison to Delicato?

- **Differentiate Yourself**: Diekmann suggests that emotional connections are beneficial as a strategy and to show that your company is doing business differently, more thoughtful, than your competitors. Diekmann argues that you do not necessarily have to be better, but that you need to be different in showing you concern about the customer and different in sense that your company has better knowledge about your customer’s preferences than your competitors. One example Diekmann mentions is differentiation though something that does not directly involve the core business, e.g. environmental concern through investments in environmental programs – Scandinavian Airlines experiment with “green approaches”.

- **Cultures of Leadership**: Empowerment of employees as a leader culture and vision. This goes hand in hand with the philosophy of Jan Carlzon that was earlier mentioned. In order to make the employees interested in the well-being of the company, they must feel that what they do actually makes a difference to the company’s performance. A subject to constant debate, but the fact is that many successful companies have implemented this approach. Does e.g. Richard Bergfors at MAX think that this is an important part of strategy?

### 3.2.1. Outsourcing and Partnerships as Strategy

James Brian Quinn (1999), a researcher at The Amos Tuck School, Dartmouth College, argues that an important part related to strategy and thus choices is whether to outsource or not, and more importantly what to outsource. Quinn reasons that a successful company should work to indentify its core business and the services or products directly related to it, and consider outsource everything else. This, according to Quinn means that the company can concentrate on what is truly its competitive advantage – see model below:

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35 Ibid, p.11
36 Ibid, p.11
Quinn furthermore argues that decisions regarding outsourcing have to be taken by senior management, and that outsourcing is essential for success in the future and something that will be a rewarding challenge of the new era. Strategy in this case imply that the company can focus on what they are truly good at and hence increase shareholder value through lower costs and risks, responsiveness et cetera. Well functioning outsourcing also means that new input that the company not have had the ability/knowledge to generate now is available through external sources, such as for example PricewaterhouseCoopers that specializes in various solutions for companies. Thus, non-core functions such as payroll or telephone services may be outsourced and the capital previously tied up in large departments can now be used in the core-business operations.

Outsourcing and partnership are heavily interlinked as shown above. In an issue of Financial Management, Louise Ross writes about partnership as a path of strategy closely related to the issue of outsourcing. Ross mentions that two companies with the same needs may cooperate in some sections of their operations, and takes an example in the field of logistics, something that renders in competitive advantage for both companies and also benefits the customer. However, trust is a ground stone in both partnerships and outsourcing and if it is not there from the beginning, it might be hard for the collaboration to pay off.

Is for example payroll administration and facility cleaning outsourced at Hotell Dragonen in Umeå?

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38 Ibid, p. 20
3.2.2 Sustaining Strategy, working with Business Intelligence and moving forward in the IT Society

Business intelligence (BI) can be described as the technology to manage and leverage an organization’s data\(^{40}\). In the February 2008 number of Healthcare Financial Management, researchers Glaser and Stone argue that a company commits to a broad set of work that well functioning BI implicates. Important aspects in BI according to Glaser and Stone include the correlation between technology and effective management. Thought should be given in regards to as what type of data the company is in need of. Again, the managers must communicate with the rest of the workforce so that there is convergence in the goals of the company. The formation of the BI-system should be interlinked with the overall strategy and goals of the company, and the results should be governed. Nevertheless, technology should be adapted so that it is actually useful and so that the employees can manage it\(^{41}\). For example, what does the computer system look like at one of Stefan Karlsson’s hotels? Is it adjusted to the needs of the staff?

Michael E. Porter – a researcher and writer at the Harvard Business School in Boston, USA – has written extensively about companies and their strategies, how companies handle business intelligence and how they carry out their business in general. Porter argues that benchmarking is an important aspect when dealing with strategies; the more one company compares itself with other leading companies in its sector the more competitive convergence can be achieved. This could lead to a competitive advantage through strategic positioning, which focuses on preserving what is distinctive about a company. This also implies that the company has to decide what activities to focus on and/or different ways of producing these activities. Quinn on the other hand argues that benchmarking is not enough but only shows that the company is still performing. Focus according to Quinn should instead be to identify what the company does best. Do any of the companies I have chosen to study use benchmarking or even go beyond that, or do they pay little or no attention to this?

In order to come up with functional strategies, merely writing them down on a sheet of paper is not enough. Porter argues that strategy demands discipline and continuity - strong leaders who can make choices – and that strategy and leadership are strongly interlinked. Guidance of employees is an important part in order to deepen the strategic position and Porter furthermore argues that a learning organization has the best chance of staying in business. Without communication and the concept of the learning organization, the corporate strategy easily becomes a marketing slogan rather than something that will help the company withstand competition.

Strategy does not imply that the company has to be a multinational firm with operations in several countries. Rather, regardless of company size, strategy should be more of a cornerstone and guide to the company. How is this interpreted by the managers I have chosen to interview?

Strategy in essence means creating a position that is unique and that involves different sets of activities that distinguish one company from its competitors. A good strategy is usually not something that comes easily, because good ideas that generate sufficient revenues in a competitive

\(^{40}\) J. Glaser and J. Stone, Effective Use of Business Intelligence, Healthcare Financial Management: February 2008: p. 68.

society are usually hard to come up with. Strategies need to go deeper than just a broad outline of the company’s operations. If not, competitors will easily copy your ideas and status quo will incur sooner rather than later. Thus, it is important to choose activities that are different from your competitors and to choose what not to do. The activities that the company chooses should be able to combine with each other and hence overlap. Again, this is not something that is easy or something that comes for free.

Porter reasons that trade-offs are necessary in order to achieve a “strategic fit” or in other words a functioning strategy. He takes as example Continental Airlines experiment with “Continental Lite” – a company project that failed because of the lack of coherence, the fact that the company’s strategies were not complementing each other. Continental Airlines had a full service, full price strategy, while the strategy behind continental Lite was to assume the functions and profile of a low cost carrier (LCC). Another example in the airline industry, and a more local example is Scandinavian Airlines trial and failure with its Snowflake concept – something that also most likely failed because the lack of complementation between the strategies.

Activities can be combined, but the important factor is that there is a strategic fit – low cost should not be mixed with full price, full service should not be combined with no service etc. – within the same company. Consequently, the systems of activities within a company should be carefully thought trough.

As already shown, communication and distribution of information within the company are vital aspects for a well functioning company. Perhaps could some of the earlier mentioned failures have been avoided through smoother communication and information flows? Researcher Lauren Ross mentions that a 20\textsuperscript{th} century company should be be on the lookout for the opportunities that the IT society provides, and communicate internally how this can be beneficial\textsuperscript{42}.

Eric G. Olson, a consultant at IBM Business Consulting argues that in developing sustainable strategies there has to be changes in both philosophy and action\textsuperscript{43}. Coherent with earlier mentioned theory, Olson’s two models shown below gives a good picture of sustainable strategies:

\textsuperscript{42} L. Ross, Strategic Global Management, Financial Management, Feb 2008: p.31.
Model 4: Contrasts by Eric G. Olson⁴⁴

The above model shows the classical way of thinking in company, versus the new and according to Olson preferable way of thinking. The classical way is more shut in and protective, anxious about carrying about their business with as little transparency as possible. Like the model shows, leadership comes from the product and not from the organizational structure.

The new and sustainable vision according to Olson’s model includes alliances, transparency, outsourcing of non-core business, and hence overall arguably more long-term business model. The main concern with this new business model is also that operations should not be carried out separately, but overlap with each other.

Model 5: Sustainability by Eric G. Olson⁴⁵

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⁴⁴ Ibid, p.38.
Figure 6 illustrates more clearly the outcome of the “integrated operations” and what sustainability is. This long-term model is focused on the competencies of the business as well as taking into the importance and features of alliances and cross industry communication at the same times as stakeholders are included in a functional and benefiting way. Once again, this model shows the importance of communication mentioned by other researchers as well. Relating to the research question it would be interesting to see if e.g. partnerships are something that is taken into account by entrepreneur Fredric Edin at Hotell Dragonen.

3.2.3 Strategic Schools of Thought

There are many different beliefs on what strategy really is, and there are some different schools of thought. Whittington presents four different views on strategy; these being the Classical, the Evolutionary, the Processual and the Systematic.

- The Classical (formal) view dates back to the 1960s. Behind this view is the ambition of profit-maximizing. According to Whittington, Alfred Sloan, the former President of General Motors, stated that “the strategic aim of a business is to earn a return on capital, and if in any particular the case the return in the long run is not satisfactory, the deficiency should be corrected or the activity abandoned.” This approach to strategy is about evaluating and controlling in a military type of way.

- The Processual (learning) view reflects a laisse-faire approach to strategy; thus what is of importance is to take one step at a time and work from the preconditions that the world has given you, reducing the expectations of success at a reasonable level. There is no hunt for what is optimal, but rather following old routines. What type of leader is e.g. Michael Hugoson at Nyhléns?

- The Evolutionary (survival) view on the other hand emphasizes nature’s ability to pick the best performers. Evolutionists believe that whatever strategy managers take on, in the end the only thing that matters is the one that stands out. Strategy is viewed upon as only creating a temporary advantage, an illusion that will diminish as other firms’ approaches. This implicates that what managers must do is to be flexible and not go for a single plan, to be tentative and eliminate failures as they are brought up. The conclusion is that Evolutionists believe that the market is so impulsive and competitive and therefore huge investments in strategy is not needed. A competitive market naturally forces the ones that are operative to outperform the rest and the sustainability of differentiation is highly doubted.

- The Systemic (local) perspective on strategy, or the 1990’s view, is focused on the organizations capabilities to plan and organize as they move forward into the future, and that strategies are sociologically sensitive. It is a view that highlights the connections between social aspects and

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47 Ibid, p. 11
48 Ibid, p. 21
50 Ibid, pp.26-39
finances. Hence, organizations differ depending on the social and economic context in which they are acting. Focus in this perspective is building from their particular social systems that are unique and comprise their own creative strategies. A systematic approach can make the manager see things out of a local perspective and find local resources that provides a competitive advantage.

### 3.3 Summary of Strategies

There are no generic strategies since strategies is about leadership, position, objectives and goals. But merely writing down these strategies is not enough, according to Michael E. Porter\(^5^1\). Strategies can differ from company to company and ultimately means doing what is best for your company, increase of shareholder wealth, profit maximization etc. While most think of strategies as pre-planned, they can also be emergent, as long as the emergent pattern itself is pre-planned. In today’s society it is more and more important to distinguish your company from your competitors in order to survive in the long run. The researchers studied in this thesis have different views on strategy, but they are more or less coherent. Henry Mintzberg has set up a model on 5 types of strategy: plan, ploy, pattern, position and perspective\(^5^2\). Carlzon and Quinn argue that leadership is a groundstone in strategy. Quinn furthermore argues that outsourcing is an important aspect in successful strategies\(^5^3\) while Gjerde and Hughes argue that successful strategy to a great extent is to be found in the overlapping of employee and customer satisfaction and that what is truly valuable for

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an organization is many times forgotten in the race of measurements. Frank J. Diekmann has identified 3 different factors for successful companies in terms of strategy: Knowing your market, differentiating your company its leadership culture, all coherent with earlier mentioned views on strategy.

Outsourcing can, according to Quinn, be a good strategic position. It means that everything that is not connected to a company’s core business should be outsourced to another company in order to sustain competitive advantage. Glaser and Stone write that technology and BI has to be adapted to the companies’ needs and capabilities of managing it usefully.

Michael E. Porter of the Harvard Business School has written extensively about strategic positioning and the need for benchmarking in order to maintain your position. Quinn on the other hand argues that benchmarking can be good but is not enough.

Activities can be combined but Porter argues that “strategic fit” is important and that e.g. low cost should not be combined with high-end in one company.

Companies should, according to Ross, think about the opportunities the IT society offers a company and construct strategies with that in mind and so that these opportunities are not foregone.

Olson writes about classical strategies that have to be re-modeled to fit the new requisites of the 21th century. This involves being close to the customer, investments in partnerships and long-term relationships.

Like earlier mentioned, there are many views and thoughts about what strategy really is and how it should be. Whittington has constructed a model containing four different schools of thought regarding strategy, these being the classical, the processual, the evolutionary and the systematic view. Strategic planning is independent of company size and should be considered a guide to the company’s operations. Communication and guidance are two vital aspects a modern and successful company leader needs to think about.

Model 6: My Model – Summary (showing the links between the introductory model and the theoretical concepts)
4. Practical Method

After spending some time thinking, listing, discussing with my supervisor, contacting, adding and withdrawing quite large and mainly local companies I decided to study six of the more intensely. It would not have mattered to me if I would have selected some other companies to study since the main focus in this thesis is not the companies themselves, but rather how strategic planning is perceived in some Swedish companies. However, many of them are familiar to residents in Sweden and hence can arguably be considered interesting and relevant for a study of this kind. IKEA, although not being a locally anchored company, was mentioned during several the meetings with my supervisor, and thus I decided to study them as well since good contacts within the company was available. After selecting the companies, I chose to focus on locating the top management since they should be highly involved in the strategic topic.

Collection of material from secondary sources can be found described in the earlier chapters while the primary sources, i.e. the respondents were initially contacted by telephone, and in one case e-mail, in order to schedule the interviews normally taking place a couple of days after our first contact. In some cases and upon request, an interview outcast with the topics of the interview was sent out prior to the interview.

Most interviews were done by telephone from the relaxed environment of my apartment and all interviews were recorded. One interview was done through e-mail correspondence and another by actually meeting the interviewee and conversing on the different topics and also recording it by using a Dictaphone obtained from the university. The interviews were semi-structured and the interviewees were not given the questions in advance (except for the interview done by email), but just the general topic in order to prevent them to prepare for the interview in any special way. The recordings were then transcribed and used in the preparation of the interviews presented later on. Most interviewees were nice and cooperative, willing to answer my questions. The, according to me, best way to obtain good information is to actually meet with the interviewee. Telephone interviews are also good, and give the researcher the possibility to ask follow-up questions while the e-mail way of interviewing is a bit less precise since there is less ability to ask follow-up questions, particularly if the respondent is to be found in another country.

All respondents were informed that the interview was going to be recorded, prior to them answering any questions.

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63 A. Bryman et. al., Business Research Methods, Oxford, Oxford University Press, 2007, p. 481
64 Ibid, p.474.
5. The Companies

I decided to interview seven different executives, of which six of them agreed on discussing about their thoughts in relations to their companies at the moment. All respondents have in common that they are top level executives in successful and growing Swedish companies. The exception is Göran Carstedt who is no longer a manager, but rather a “world consultant”, his participation is thus still highly relevant because of his many experiences.

The companies and its respondents were (in alphabetic order):

**Göran Carstedt**: Former president of Volvo in France and IKEA in North America and currently involved in the Clinton Climate Initiative. Carstedt provided insight based on previous experiences.

**Hotell Dragonen**: A local hotel and night club concept located in the city of Umeå. My respondent was Fredrik Edin, part-owner.

**Hotell Lappland AB**: A local hotel in the town of Lycksele. My respondent was Stefan Karlsson, owner and president who previously has owned several other hotels as well.

**Hägges Finbageri AB**: A well known Swedish manufacturer of confectionary goods with their production facility located in the northern city of Örnsköldsvik. My respondent was Tord Ekegren, president.

**IKEA**: The Swedish furniture manufacturer. My interviewee is located in Russia, and answered my questions from his viewpoint in the Russian market. My respondent was Henrik Hallberg, marketing manager IKEA Real Estate, Russia.

**MAX Hamburgerrestauranger AB**: A Swedish fast food chain operator with its headquarters in Luleå. My respondent was Richard Bergfors, president.

**NyhlénsHugosons AB**: A northern Swedish food stuff company with its headquarters in Luleå. My respondent was Mikael Hugoson, president.
5.1 The Interviews

In this part, my interviews with the different executives are presented. The figure below shows some more information about the specific interviews.

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<th>Method</th>
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<tr>
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<td>23/05/2008</td>
<td>Interview</td>
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<td>02/06/2008</td>
<td>Telephone</td>
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Model 7: Interviews

5.1.1 Mikael Hugoson – NyhlénsHugosons AB

Mikael Hugoson is the president and part owner of Nyhléns Hugosons (originally two competing companies), a foodstuff company with its headquarters in Luleå, Sweden and with an additional four production facilities in different cities also in the north of Sweden. Mr Hugoson tells me that the vision for the company is to be a northern Swedish foodstuff company that only uses high quality products from northern farmers in its production of preserved meat foods. The value added is the northern focus and the ability to tell the consumers that their products were produced locally – always. Hugoson claims that the company has a dominating position on the preserved meats market in the north of Sweden.

The dominating position makes his company take good care of its farmers (mission) since they are the means of existence for the company according to Hugoson. The goal of the company is to always remain in the north and to always use locally produced raw material, something that makes it hard for the company to grow much more in the future because of the limited supplies. The company differentiates itself by offering high quality products that also are a little bit more expensive than those of its competitors. Hugoson argues that the company is a winner at the moment since there is a lot of focus on locally produced and healthy foods - a new product line with just healthy foods is planned to be released in the larger cities in northern Sweden. Hugoson argues that you can compete on price or quality and that his company has decided to focus on quality.

According to Hugoson the merger of Nyhléns and Hugosons was due to the insights of the benefits that such a merger would imply. The earlier, and only, strategies of the two companies had been to beat each other. Partnerships is something that Hugoson sees great potential in, and on the 1st of June 2008 an independent butcher will be partnering with the company in order to serve the increasing demand of its products.

The niche of the company is the northern focus, and its northern, locally produced products.

The strategic planning process involves mainly Mikael Hugoson himself and the board of directors and the directorate, but as Hugoson says:

“as long as I don’t mess up too much...I have the final word”
Responsiveness is somewhat of a keyword in the company and Hugoson mentions the future plans of expanding their high quality products into a line of ecological products as soon as the stores shows sufficient demand for these products.

Hugoson argues that the current strategy of high quality products and hence higher prices is what the consumers are demanding at the moment, and that this makes their company to fit right in time. He remains confident that the current strategy is successful and visible not only in positive numbers, but also in the sense of reputation among consumers that the company’s products are good. The feedback is received in the company’s eight own in-store shops.

Hugoson claims that he is a good communicator and that he daily visits the floor on his production facilities where he talks to the staff and informs them about changes as well as asks for feedback. Furthermore, Hugoson distributes a monthly newsletter where he informs his staff about what’s going on in the company. By informing his staff, the better work they will do and the greater the customer satisfaction will be in the end. In addition, there is a daily telephone conference where Hugoson and his directorate discuss the daily issues. The directorate then forwards the information to personnel within the different areas. Moreover, Hugoson argues that being a visible leader is important for increased employee motivation.

The core business of the company is slaughtering and production of meat products, however all other functions such as administration et cetera is also kept within the company as Hugoson believes that the company has all the needed competence for this. Hugoson states that the operations are tight and that the staff works closely together and that he has never considered any other solution.

Hugoson benchmarks personally with other companies and tries to stay informed about what is going on in the business, product development et cetera, e.g. when visiting other firms. Then again, benchmarking alone is nothing that interests Hugoson since focus is on his own business and not on others’.

In regards to business intelligence, the company uses a system called QuickView that according to Hugoson enables them to carry out their business in a positive manner. Hugoson himself sees great possibilities in the new IT-systems and especially the push mail-function in his cell phone that nowadays enables him to many times travel without a computer and still be able to carry out the most urgent matters. With an administrative workforce of five, and a turnover exceeding 500 million Swedish crowns, Hugoson argues that the well functioning IT structure has a great part in this.

A recent partnership with Polarbröd and Scandinavian Airlines, and ongoing discussions with other airlines within the Star Alliance takes the company’s products to a broader consumer base, but since focus is on northern Sweden there is little chance of expansion and economic profits. Rather this move is more a fun thing and promotional activity giving the company positive exposure.
5.1.2 Tord Ekegren – Hägges Finbageri AB

My second interviewee was Tord Ekegren, president of Hägges Finbageri AB in Örnsköldsvik, Sweden. Mr Ekegren and his father bought the company through a management buyout in 2000 from Malmö based Pågen AB. Ekegren describes the core business of Hägges as being the production of soft confectionary products with a Swedish touch and through qualitative workmanship. The products are sold directly to middlemen who then distribute the companys products to the final stores. The vision of the company is to be a leading producer in the category soft confectionary products. Hägges wants to produce good tasting products that are associated with fun for the everyday coffee break. Ekegren states that for Hägges it is extremely important to know its value chain in order to be a good partner in regards to its customers. Hägges goal and strategy is to drive the consumption of soft confectionary products in the Swedish daily foods market (Hägges products are available in other Scandinavian countries as well and sales are increasing; nevertheless focus is currently on the Swedish market. This is achieved by knowing its market and its customers, including the end consumer. What Hägges does now should be visible on the market in about eighteen months.

Ekegren himself states the following about his business philosophy:

"what you’re doing right now, does it sell bread? If not, drop the pen and move on"

Focus is put on marketing in order to drive the consumption since Ekegren argues that confectionery goods are bought on impulse. Ekegren argues that cheap raw material, knowledge of the markets and customers are utterly important e.g. knowing what the demand looks like during the summer et cetera.

The sector is competing very much on price, and Hägges is no exception. During the past eight years, since the Ekegren’s bought Hägges the market has turned and the focus is on cutting costs. The first three or four years was quite easy argues Ekegren since the company could live on its past merits, but since the entrance of store chains such as Lidl in Sweden, the market has become a lot more price sensitive. Focus is constantly on how to cut costs and use the company’s resources to the utmost. Ekegren and his four person directorate take all decisions regarding the company while Erik Ekegren, Tord’s father and principal owner stays out of most of the decision taking. Ekegren argues that the teamwork and size of the directorate makes communication and decision making very favorable for the company. A sizable modification that is due to take place this year is the new partnership and distribution scheme which implies that Hägges products will be distributed through wholesalers rather than through the company PolFärskt as today. The alteration will bring a more constant and secure distribution compared to today where the individual PolFärskt delivery driver is responsible for selling in new products et cetera. Since logistics is not Hägges core business, this part is taken care of by an external partner who does this well. Their products will from this year and on become available through the store chains wholesalers. In addition, a group of sales consultants will be available through a partnership with the company Leksandsbröd/Scandinavian Trading AB who already has this direct sales experience and the sales consultants will concentrate on selling in Hägges products and promotions in a different manner than before. According to Ekegren, Hägges will become a large partner in this partnership and have a significant share of the business in this partnership.

Ekegren claims that the niche of Hägges is the soft confectionary products and that they are the leading company in this segment in Sweden today. Earlier, Hägges produced hard confectionary products such as cookies, but that product line has been phased out.

Hägges ambition is to increase product development and leadership in respect to market knowledge and market support. That is, advice on marketing and exposure in stores et cetera.
Presently, benchmarking is nothing that is organized or is carried out regularly. Ekegren reasons that benchmarking is not too interesting, but rather listening to what the consumers are asking for. Technology systems such as the Nielsen Index allow Hågges to rapidly see which products that are selling and which that are not.

As a leader, Ekegren argues that he a typical Swedish leader in sense of that he is delegating, spontaneous, visible and easily reached.

Besides the core competence of soft confectionary products, some functions are outsourced such as IT-services and one financial administrative employee. Ekegren reasons that Hågges is too small to cover all the economy functions properly, but that he and his directorate is highly involved nevertheless. External consultants are nothing that Ekegren believes is the solution, but rather internal analysis and problem solution.

Another sizable modification is the change of computer system that will give faster response in terms of sales et cetera. One example is the future linkage between supermarket cash registers and Hågges system, something that will facilitate and visualize exactly when one product is sold and aid the production process with faster and more secure delivery, something that Ekegren sees great potential in.

Furthermore Ekegren sees great potential in the partnership with IKEA that takes the company’s products to a number of different countries. If some markets should prove to be particularly profitable, Hågges would consider moving forward with that market and into the local arena as well. However, since this partnership is fairly new, it is too early to evaluate the outcome at this point.

5.1.3 Göran Carstedt – William J. Clinton Foundation

Mr Göran Carstedt is the former president of Volvo in France as well as the former president of IKEA in North America. Recently he has been a board member of the sports store chain Stadium and is currently involved in the former US President Bill Clinton’s Climate Initiative run by the William J. Clinton Foundation. Although not willing to speak about his current assignments, he provided some insight about strategic planning in Swedish companies today.

Mr Carstedt argues that strategies are about choices in order to be able to create something. Carstedt furthermore claims that many companies today do not know what their mission is, and that focus is on earning revenue. However, revenue is according to Carstedt not a strategy, but merely a mean and there has got to be something greater that the company is trying to achieve. He takes the example of IKEA, the Swedish furniture store chain where the mission is “helping people to a better everyday” and Stadium where the mission is “helping people to an active life style”. Choices about the business and its products et cetera has to be taken daily, all with the common denominator that it has to be meaningful. Concretizing this in the example with IKEA is that they provide most products for the everyday home, a functioning office et cetera. In this sense and according to Carstedt, the most important product of IKEA is their free catalogue that provides information and ideas on how to design your home. At the same time, these products are developed and manufactured in such a way that the company earns money and can continue to offer its concept. Carstedt argues that more or less every company has a niche and that the most important thing is that the company fills a function and that the company thinks about what the world would look like without their existence.

Carstedt moves on to discuss the owner perspective of business, and argues that family owned businesses are usually tight and the owners committed. As a contrast he argues that publicly traded companies usually are no-nonsense operations where big institutions tries to control the company by
codes of behavior et cetera and still has little or no interest in the strategy formulation process. Family owned businesses are usually more long-term committed than the public company and are more successful than the average public company since strategy demands long-term commitment which does not go well with the stock market perspective, according to Carstedt.

There must be an aim to show the world something that it has not seen before, and the owners’ commitment and beliefs are important. At the same time Carstedt argues that there has to be a fit between strategies and reality, and the current strategies has to be constantly questioned when they meet the reality. This can also mean that the company’s strategies are acknowledged as well functioning.

Many times strategy is about endurance, and Carstedt claims that all successful businesses really are built upon endurable owners that are committed. Constant adaption and learning are important aspects that cannot be overlooked by an entrepreneur wanting to achieve success.

Carstedt states that strategies are usually more easily formulated gradually than before the operations commence. He takes the example of IKEA again and mentions that there have not always been clear strategies about everything, but that the company has many times rushed into something new. If something has proven not to work, instead of abandoning the whole thing, the company has tried to analyze what went wrong. Interpretation is hence very important according to Carstedt. With IKEA the strategy has been more of a “shoot and aim” operation than vice versa.

In order to measure if a strategy is successful or not, the company has to be very close to the market in which they operate. Strategy takes time and commitment and the company has to be “all-ears” and able to endure and see if what they are doing now will become a success in the future even if the current numbers are proving the opposite. Acting close to customers and suppliers are inevitable for the successful company, according to Carstedt.

Carstedt goes on to argue that all companies are in the same business, the confidence-building business. In order to be a leader and not a follower, the business has to know why they are on the market.

As a leader, Carstedt maintains that it is important to constantly inform your co-workers and also constantly be available for dialogues.

The importance of competitors and benchmarking is by Carstedt described by the following:

“we have more to learn from listening to our customers than copying our competitors”

and he claims that it is sound to be active and look at the market, but not in any greater proportions. Outsourcing is according to Carstedt more of a fashion word among consultants and scholars rather than a benefit, and claims that even if the organizations outsource different functions, it still needs to understand why they are doing this.

Strategic fit is something that according to Carstedt can be beneficial as well as dangerous if the company end up with being overly slim and concentrated.
Strategy is not something that should be taken by a single board or directorate as Carstedt sees it, but there has to be a discussion between all involved parts in order for a strategy to function.

5.1.4 Stefan Karlsson – Hotell Lappland

Stefan Karlsson is the owner and president of Hotell Lappland in Lycksele. He is a self made entrepreneur and has previously run several other hotels. Mr Karlsson describes a company as something that is whatever the manager makes it into. He argues that Lycksele as the location of his hotel is merely coincidental and that he can work wherever he sees a need. Karlsson moreover argues that he aims to do something different, something that has not been done before in the specific location where he decides to invest. Currently he is planning a new project that he believes will be very different from his competitors. He considers himself a risk taker by investing in these new projects, but still maintains that he has great faith in the potential of the new product. He claims that an entrepreneur can differentiate himself by doing something different in a different market, or differentiate himself by doing something that is so enormously expensive that no one else will want to do it. Karlsson wants to do things differently and hence gain an advantage.

Karlsson argues that the more hopeless something is, the more interesting it becomes. Because the fear of an approaching recession, Karlsson has sold off all of his previous hotels and is now awaiting the construction of his new concept.

Karlsson claims that all decisions are taken in a team and that the reality guides his company. He does not believe in niches, but instead tries to cover as many areas as possible such as business travelers, families et cetera as a diversification. He believes in a broad customer base and to cover all categories of customers and would never consider a hotel for only wealthy individuals or such. As a leader, Karlsson mentions that he has not been a very consequent leader, and often done things that he does not interpret as positive today. He claims to be “in the middle” of everything and strongly believes that rotation of his staff is essential. Karlsson has created a trainee-program in order to stimulate entrepreneurship among his staff.

In terms of benchmarking, Karlsson says that he and his team try to stay informed by looking at competitors and things that they do well in order to apply to his own business. Right after saying this Karlsson claims that he tries to go the other way and instead lead in his industry. The core business of Karlsson’s company is hotel and restaurant services and he does not believe in outside consultants, rather he uses his contacts in order to stay informed or solve problems.

Karlsson claims to have gained a lot of experience while wasting capital resources, but that he now will start his big and long-term ten year-plan investment. He reasons that before having gained enough capital, you are limited to do stick to small or medium business. Today’s effort will be visible within one to two years.

Karlsson does not currently invest in any special technological systems but sees great potential in future IT- investments.

In terms of success, Karlsson argues that one has to distinguish between company profitability and what he really believes is success. At this point he does not believe that he has done everything he is capable of.
Karlsson does not like to analyse anything in his business, and argues that if something does not work it is better to drop it instead of trying to figure out what went wrong.

5.1.5 Fredric Edin – Hotell Dragonen, Coverclub, Schlagerklubben, Umeå

Mr Fredric Edin is one of the owners of Hotell Dragonen with its associated night clubs X3M/Cover Club and Schlagerklubben. He and his partner Robert Trohagen took over the night club part last year and are since the 1st of June 2008 also owners of the Hotel business located in the same building complex. Edin argues that their vision is to:

“attract a large crowd of guests”

A crowd that in the end are satisfied with their experience and returns. The company tries to create expectations and then fulfill these expectations when the guest arrives and the core business of the company according to Edin is restaurant and entertainment services. The company’s profile has taken an unexpected turn with its successful nightclub concept. At first the thought of the business was to stay in Umeå, but because of the interest if external investors the company decided to franchise its concept to other cities. As a result the company sold its first franchise license to a hotel in the nearby city of Örnsköldsvik, Sweden a few months ago. Cover Club and Schlagerklubben has proved to be two very successful concepts where their target are individuals between 23-60 years of age that because of the design of the night club can visit three different clubs at once while staying in the same building, these clubs being the contemporary disco, the hard rock club and the “schlager” music club. Edin argues therefore that the niche of the company is the hard rock and schlager touch to its operations.

Edin and his partner Robert Trohagen takes all decisions regarding the company, but in close cooperation with their employees, or co-workers as Edin likes to describe them and also mentions that he sees his co-workers as a great resource. Edin’s theory about leadership states that he and Trohagen have no employees, but merely co-workers. Work is delegated through different area managers who are responsible for their share of the business. Moreover Edin argues that his and Trohagen’s work is to attract the guests, the mere operation is then handed over to their co-workers who are responsible for making sure that the guest are satisfied.

Edin sees his business as a market leader, who created something that was not available before. However, he mentions that it is always important to stay close to the reality. Because of their concept, Edin argues that their competitors at the moment are not other night clubs in Umeå, but internet, TV and video games.

Benchmarking is important states Edin, but adds that believes their competitors now are looking more at Edin’s business than vice versa. However, Edin argues that as a night club entrepreneur you must always stay up to date with what is going on in the industry since the cycles are fast and ever-changing. He encourages his co-workers to stay up-to-date with what is happening in the business as well. If things turn sour, the important thing to Edin is analyzing and trying to find out why and also a solution instead of just cutting the ropes.

The level of success is according to Edin measured by looking at the number of visitors to the night
Most functions are kept within the company and Edin claims to have a great working team. Administration is to a certain level outsourced to the consulting firm Deloitte. In the beginning everything was done by themselves in order to gain an understanding of the different functions of the business. However, as business is improving, there are talks about hiring someone and thus take care of the administrative tasks within the company. Edin argues that loyalty is an important factor for trying to keep functions in the company.

Edin reasons that a lot of his company’s marketing will take place on the internet and that it is a helpful tool when distributing information about both coming events as well as past events with photos et cetera.

In terms of strategic fit, Edin believes that their other operations in the café and restaurant sector most likely will be given less attention in the future since the current focus on the night club business.

The importance of partnerships will increase and Edin and Trohagen are trying to find reliable and financially strong partners willing to run their concept in other cities.

5.1.6 Richard Bergfors – Max Hamburgerrestauranger AB

Richard Bergfors is the president of the Swedish fast food restaurant chain MAX, founded by his father Curt Bergfors in 1968. Mr Bergfors claims that strategies are a constant work, that there are two- and five- year plans and that the company aims to become the world’s best hamburger restaurant chain. Strategies hence exist, according to Bergfors, but not in an extremely organized manner. Strategies are however not what drives the company forward, instead the reality and its everyday dictates what is most important to focus on for the moment. Bergfors argues that theoretic strategies are hard to implement in the long run, and that this is more something created by boring academics. There is a long term vision on improving operations and become a better company day-by-day. Moreover Bergfors argues that:

"we all know what we are doing and why we are in the business"

The vision about becoming the world’s best hamburger restaurant chain is constantly promoted within the company and to his co-workers. The earlier mentioned two- and five- year objectives are both economic aspects and establishment rates as well as described by Bergfors as more “soft” ambitions such as focus on becoming the healthiest fast food chain, the most environmentally friendly fast food chain et cetera.

Bergfors takes the health example by arguing that it was decided five or six years ago as this year’s target, and that it is now reached. Bergfors argues that the company has long term visions, but that
the planning otherwise changes from day-to-day. Furthermore Bergfors is of the opinion that his industry is so volatile that it is important to be flexible in order to be able to respond to the constant changes. In terms of planning, Bergfors claims that it is mainly the direct family who is responsible for the planning, that includes his father, brother and himself but that the board and directorate are also included. However, it is according to Bergfors always necessary to sit down and discuss everything, but that plans and ideas many times are created and shared during the occasional coffee break.

Max and the Bergfors family have had a range of different businesses mainly in Luleå, including hotels, video stores and fine dining restaurants. These have all been sold off in order for the owners to concentrate and invest in the growing fast food business. There was also a management issue behind this since no one in the family has been living in Luleå for the past twenty years (note that the company’s headquarters is still located in Luleå but that most functions are to be found at an operative office in Stockholm).

Bergfors claims that his company is an industry leader and that little time is spent on looking at what its competitors are doing. Nevertheless, Bergfors mentions that his company follows trends and that he is constantly on the lookout for new ideas, for example by visiting trade-fairs in the United States on a monthly basis. Staying in touch with reality and the world around and then making his own interpretations is what interests Bergfors. This benchmarking process is also done by the immediate family. In regards to competition, Bergfors argues that his company is trying to be as different as possible from its competitor McDonalds, and tries to differentiate in all possible ways. Premium quality and taste is what his company is trying to achieve. Bergfors means that it is not always relevant to benchmark with players in its own industry, but that a “fine dining” restaurant also can provide valuable inspiration.

In terms of success, Bergfors believes that his company is doing really good and is outrunning competition in all parameters. Success is measured in terms of revenue and is visible instantly. Bergfors argues that thanks to his upbringing in the business and his father’s forty year experience they have become quite good at analyzing and understanding what works and what does not.

MAX core business is by Bergfors described as:

“concept development within the service industry”

which is a constantly developing factor.

Most functions are kept within the company while manufacturing and distribution are outsourced to long-term partners committed to success. Bergfors mentions however that the company is not interested in performing tasks that they do not absolutely need to perform in-company. Production processes are outsourced to external partners in order to save money and be effective in what is really their business, such as primary product development et cetera.

Bergfors describes himself as a typical innovator and entrepreneur, with less interest in administrative tasks although holding an MBA from the Stockholm School of Economics. He claims to be a visible leader who often visits his restaurants and offices in order to converse with
his co-workers and to receive feedback on how the actual operations are going.

Up next for MAX is a franchise based expansion outside of Sweden. The thought here is to export its successful concept abroad. Nonetheless, Bergfors argues that partnerships are extremely important here in order to fully understand the foreign markets and be able to serve its customers impeccably. No clear strategies have been developed for the foreign markets at this point. Generally speaking, Bergfors states that it is the quality concept that will be taken abroad, but with major modifications.

5.1.7 Henrik Hallberg – IKEA Real Estate, Russia

This interview was made through email contact with Henrik Hallberg who is the current marketing manager of IKEA Real Estate in Novosibirsk, Russia.

Hallberg answers that strategy for IKEA is guidance for their work in during the coming years and that actions are then taken based on these guidelines. Because of the rapid changing business climate in Russia, strategies are constantly overlooked.

Hallberg argues that strategy is nothing that is created to intimidate its competitors, but rather to outrun them. In regards to niches, Hallberg states that the business of IKEA is developing shopping malls in Russia and mentions that this current strategy is successful and that IKEA have received several prizes for best commercial property development in Russia during the past years. Hallberg furthermore implies that they are a current market leader in the Russian market.

As to communicational aspects, Hallberg argues that it is always important to inform the company’s co-workers about the current strategies in order to stimulate them to work towards the aspirations of the company. This communication is carried out on a weekly basis. Furthermore, benchmarking is done on a monthly basis by the marketing department and by visiting competitors to see what is done well and not so well. However, benchmarking as such has little influence on the strategies of IKEA since Hallberg claims that the present competitors on the Russian market are few and “weak”. Moreover, he mentions that on a volatile market like the Russian, it is important to move fast in order to become known.

Services and functions not directly associated with the core business of IKEA, such as security, facility services, PR and communication, transport (e.g. through Frigoscandia) et cetera, are outsourced to external companies.

Hallberg states that his company is to be found in the beginning of its business cycle and that there is a lot of work that can be done on this local Russian market. Instead of waiting for things to come around, Hallberg reasons that his company is a known trend setter and that this is something that has made IKEA one of the globes’ strongest brands.
6. Analysis

In this part I will analyze the empirical data by employing the earlier introduced theories, connecting to my research question on how strategic planning is perceived in these Swedish companies and my purpose of getting a somewhat deeper understanding of their planning.

6.1 Definitions

NyhlénsHugosons described their strategy and vision as being a northern Swedish food stuff producer focusing on high quality ingredients while caring for their farmers. This might indicate that NyhlénsHugosons have thought a little bit deeper about how to go about with their business. Like Porter writes, maybe it is this northern focus that guides the company and provides it with a valuable position differentiating the company from its competitors. A clear definition might indicate a clear perception and thus gives somewhat of a good picture of their thinking.

Hägges, the confectionary producer portray themselves as a leading soft baked confectionary producer that through quality and craftsmanship produces confectionary products with a “Swedish touch”. Again, this might imply that Hägges has thought about how to present their business and what goals to work towards.

Looking at the two companies that Göran Carstedt previously had been envolved in, Stadium and IKEA, both had defined strategies: in the case with IKEA it is “helping people to a better every day” and as defined by Stadium “helping people to an active lifestyle”. These are two pretty loosely defined guidelines, but Carstedt argued that with Stadium it is achieved through research and know how, and that with IKEA it is achieved through offering a broad selection of affordable home furnishings. Nevertheless, both companies could define their thoughts.

Stefan Karlsson, the owner and manager of Hotell Lappland in Lycksele stated that a company is whatever the manager makes it into. This might indicate that Karlsson have thought about himself as being in the hotel business, but not so much else. Relating this to previous theory by Mintzberg, this again might indicate that Karlssons’ company is wobbling around a little bit, trying to find what is right for them. Their perception might be as loose as my understanding of the company.

Hotell Dragonen and its adjoining concepts Cover Club, Schlagerklubben and X3M, run by part-owner Fredric Edin states that his vision is to attract a large customer base that are satisfied with their experiences at his premises and that returns. In relation to the definitions of the scholars, this can maybe be considered as a little bit weak and undefined.

MAX with Richard Bergfors in leading position does not give an example of any strategic slogan, but mentions that this is more a waste of time and something for the academics. However, since Bergfors mentioned that they are in the business to become the best restaurant chain in its segment, and through constant modifications and developments in environmental- and health aspects, it might indicate that a pure definition is not always needed.

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6.2 Five P’s

Mintzberg described five different possible ways of strategies, these being the plan, ploy, pattern, position, perspective. In many ways these five are interlinked with the previous concept of definitions. This was included in order to be able to match the respondents, depending on their answers and if possible, into one of the P-groups and to receive further information on how the different companies reasons regarding definitions of strategy.

Based on the information from NyhlénsHugosons, one could argue that their way of strategy can be seen as a mixture of at least four of the P’s. Their interest in farmers, northern quality products and in some areas major market share might indicate that they have a plan, a long term pattern, they are positioned with a “northern” niche and they consider themselves as being a leader – perspective. None of the information given seems to have any aspect of being meant as a ploy, this since Hugoson himself also argues that the company spends little time studying competitors. All this possibly pointing to an overall clear perception of strategies and providing a better picture of the company.

Hägges, the confectionary producer might also rake in many of the P’s. The ambition to be a leader in the Swedish confectionary business might indicate that they have a plan for their future. Hägges has a Swedish niche – position, and their forward moves in terms of technological development etc might indicate that their behavior pattern is rather consistent. Ekegren argued that also here, little time is spent on competitor benchmarking, which can indicate that there is no sense of ploy behind their strategic reasoning. Being, according to Ekegren, a market leader in the soft baked segment could also point to that they try to see themselves as the market leader – perspective.

In the case with IKEA and Stadium, the previous president of both companies, Göran Carstedt defined the strategies of both companies. In addition, Henrik Hallberg who is currently employed by IKEA in Russia provided some additional information. Simply put, IKEA wants to sell affordable home furnishings from a broad spectrum to a broad customer base. The plan can be argued to be for the company to keep its affordability. As to pattern, there is an apparent consistency in behavior with the constant work of keeping costs at a minimum. IKEA too uses their niche of Swedish and Scandinavian simplicity, which might indicate a niche position. As to the information given from Hallberg, the company always strives to be the first in the market and hence set the standard, something that also might indicate a strong market leader perspective. Ploy might exist, but there is little or nothing indicating this.
Stadium wants to help people to an active lifestyle through its broad assortment of sporting goods. Carstedt mentions constant branch know-how and product development which might indicate that the store chain has the perspective of a market leader. The broad selection of goods in different price ranges etc might indicate that they have a plan, but so much more cannot be said here about the company due to the little information received.

Hotell Lappland with Stefan Karlsson as president and managing director who recently have sold off most of his projects seem unlikely to have a plan that he sticks to. Karlsson gives rather disoriented impression which could indicate that there is little chance of anything being a ploy; however he could most likely adapt this path since mentioning taking on expensive concepts that no one else can match. The selling of other projects might indicate that there is little consistency in behavior and the company is unlikely sticking with the perspective of being a market leader at the moment.

Hotell Dragonen with Fredric Edin in leading position seems to have found a concept that works well with the population in some northern region cities in Sweden. Their plan is to increase their presence
in other cities through partnerships in order to offer their apparently successful concept to a larger audience. Little or nothing points to any ploy behind this and their behavior in terms of expansion etc might indicate a cohesive pattern. Their niche is the 30-60’s audience where they put, according to themselves, much effort in striving to please. Perspective vise, the company’s success might indicate that their perspective is being a market leader in their industry.

MAX with president Richard Bergfors aims to be the “best fast food chain in the world”. This statement might indicate that MAX strives to be a market leader – perspective, and that they have a long term commitment to their work. The Swedish quality focus might indicate a niche position and the constant work to offer healthier choices can also indicate a consistent behavior. Expansion plans can of course be used as a ploy to intimidate competitors, but nothing special points to any larger ploy scheme.

6.3 Strategy and Leadership

At NyhlénsHugosons, Mikael Hugoson claims to be a visible leader, frequently visiting the different production facilities of his company. He argues that his communication and visibility are vital in his business and he also distributes a monthly newsletter with the most current information to his coworkers. Hugoson argues that through his visits and communication, his coworkers will be more satisfied and perform a better, something that also will affect the company’s customers positively. There is also the daily phone conference mentioned earlier where the directorate discusses the daily matters. According to the theory by Gjerde and Hughes, this might imply that the communication at NyhlénsHugosons is favorable and also maybe a “winning strategy”. Hugoson mentions that during his factory visits, he talks with his coworkers and tries to pick-up feedback and suggestions, something that according to Diekmann might suggest that his coworkers feel that they make a difference and that they are valuable too.

Benchmarking can maybe also be a way of sustainability, and at NyhlénsHugosons this is carried out by mainly Hugoson himself. The fact that benchmarking takes place is according to the scholars good and might point to that there is a strategic thinking, however maybe the fact that that only Hugoson himself does this limits the company’s potential. Listening to what Hugoson tells, it might convey that the company has identified their northern Swedish niche and potential, something that can maybe work as a differentiation. The higher prices, higher quality and more concern as described by Hugoson might indicate a strategic fit. The company has also recently started a partnership with a local butcher in order to be able to handle the increasing demand for its products. Before that, and to begin with, NyhlénsHugosons is the result of Hugoson’s acquisition of Nyhléns a few years ago. This too is coherent with the theories by Eric G.Olson, who lists partnerships and acquisitions as characteristics of the modern company.

At Hägges, the confectionary goods manufacturer president Tord Ekegren claims to be a visible and outspoken leader frequently visiting the offices adjoined production facility. Like earlier mentioned Ekegren likes to be spontaneous and to delegate tasks, something that he argues is very Swedish and all together might indicate that he is a contemporary leader if comparing with the thoughts of

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68 F. Diekmann, The 3 Common Characteristics of Successful Companies, Credit Union Journal: April 7th 2008: p.10
Carlzon\textsuperscript{70} and Whittington\textsuperscript{71}.

The fact that Hägges is concentrating on soft confectionery goods and have phased out the other production lines might indicate that they have a strategic fit within the company.

President Ekegren mentions different competitors and their products, which can be an indicator of market awareness. Again, the new IT system provides good information about the market and competitors according to Ekegren. Hägges has chosen to stick with the soft baked goods and with a Swedish niche, a possible sign of differentiation and focus.

In the two companies previously managed by Göran Carstedt; IKEA and Stadium, Carstedt mentioned that he believed commitment and interest to be higher in family run businesses, something that could indicate a closeness and openness of the owners towards their coworkers. Many of us have seen IKEA owner Ingvar Kamprad visiting his stores and talking to his coworkers, possibly indicating a sincere interest in the own business. From his experiences at these companies, he mentions that strength has been the leaders’ abilities to remain close and available to their colleagues, constantly informing them about any news. This goes well with the theory of Gjerde and Hughes who claims that satisfied personnel leads to happy customers\textsuperscript{72} (both IKEA and Stadium are profitable companies). Strategy at IKEA is not something that just concerns the board, but rather the whole company, and when deciding on new guidelines, personnel from the involved areas/departments are always present according to Carstedt, possibly indicating integrated and delegating leadership.

Carstedt mentions that both these companies stay close to their markets in order to quickly receive feedback on their products and see other developments. For both IKEA and Stadium, he argues that there is more to learn from listening to customers than copying competitors, something that might indicate that the companies’ fully tries to understand their business like Diekmann mentions\textsuperscript{73}, and hence maybe a long term commitment. However, according to Henrik Hallberg, benchmarking also takes place with more than one person involved, something that according to scholars can be considered a strength and awareness\textsuperscript{74}.

IKEA competes on contemporary design at an affordable price, maybe indicating a differentiation from competitors.

Then again, IKEA has a range of different products, from food to electrical appliances in different price ranges indicating that strategic fit might not be too important to them. Carstedt also mentions that he believes that strategic fit is not always good.

\begin{thebibliography}{99}
\bibitem{gjerde} S. Gjerde et al. Tracking Performance: When Less is More, Management Accounting Quarterly, Fall 2007, p.1.
\bibitem{diekmann} F. Diekmann, The 3 Common Characteristics of Successful Companies, Credit Union Journal: April 7\textsuperscript{th} 2008: p.10.
\end{thebibliography}
Hotell Lappland and Stefan Karlsson differed a bit from the earlier interviewees with no clear statement about strategy. As a leader, Karlsson claims to be very intensive and involved in all parts of his business sometimes, while sometimes being very laid back. He does not want his coworkers to stay too long at any one position, but tries to rotate them and prefers if they are not natives of the town or place where his business is located. This could be an incentive to increase employee motivation and career possibilities, but also that Karlsson simply does not want the same coworkers for more than a specific time period. Then again, he has created a trainee-program where entrepreneurship is meant to be stimulated, something that might increase the employee-satisfaction as mentioned by Gjerde and Hughes 75.

Karlsson explains his intention of doing something that no one has done before or something that is too expensive for others to do, which might be an indication of a possible differentiation. He also mentions a coming project that he believes will be very different from the concepts of competing hoteliers76. Strategy is taken in a team, involving others than him, possibly indicating a contemporary leadership approach.

Knowing his market or now, Karlsson mentions that he tries to look at competitors to see what they are doing well, but also tries to go his own way. Looking at his past projects and the current, it is hard to say if he knows his market or not. No specific answers regarding how success is measured were given. However, Karlsson mentions that one has to distinguish between profitability and success, possibly indicating awareness as described by Gjerde and Hughes 77.

Karlsson seems to focus on the hotel business with his Hotell Lappland and his coming hotel project, perhaps indicating a strategic fit.

Hotell Dragonen with their night clubs strive to attract a large crowd of people that leaves satisfied and comes back. Part owner Fredric Edin, claims to be a delegating leader who takes all strategic decisions with his colleague Trohagen, but at same time in close cooperation with their coworkers. Like mentioned earlier Edin argues that his job is to attract customers while his coworkers are responsible for taking care of them when arriving at the premises. This might provide greater employee satisfaction through delegation, as described by Gjerde and Hughes 78.

Success is measured by the number of visitors and sales, numbers that have been increasing

75 S. Gjerde et al. Tracking Performance: When Less is More, Management Accounting Quarterly, Fall 2007, p.1
77 S. Gjerde et al. Tracking Performance: When Less is More, Management Accounting Quarterly, Fall 2007, p.1
78 Ibid p.1
constantly since the opening last year. This might indicate an awareness of what should be measured.

Hotell Dragonen with its night clubs strive to attract an older clientele ranging from 30-60 with their primarily successful concept Schlagerclubs, something that might indicate a differentiation since a similar concept has not existed in the Umeå region before.

Edin argues that benchmarking is important for the company and that he motivates his coworkers to always stay alert to what is going on in their business. Nevertheless, as mentioned earlier Edin believes that his company is a market leader that receives more attention than he spends on his competitors – possibly indicating fulfillment of both Diekmann and Quinn’s theories.

The company has a range of different businesses, from cafés to clubs and hotels, and strategic fit might not be of great concern for the owners. Nonetheless Edin argues that the other businesses might gain less attention in the future as a result of the night club success, something possibly indicating a focus and that they are trying to find out what they are doing best e.g. the night club and hotel businesses and in accordance with Porter.

MAX president Richard Bergfors claims to be an easy, visible leader frequently visiting his different restaurants, possibly indicating a close leader as described by the scholars. While visiting the restaurants he takes the opportunity to talk to his coworkers in order to receive feedback, something that if done correctly might increase his coworkers’ satisfaction and something that ultimately might help to increase customer satisfaction, as described by Gjerde and Hughes.

Bergfors claims that the company knows why they are in the business, and that they differentiate themselves through their Swedish- and healthier profile. Bergfors claims that they strive to be as different as possible from their competitors, and their differentiation is in accordance with for example the theories of Diekmann.

Most decisions are taken in within the family in cooperation with the other members of the board of directors. The earlier mentioned short- and long term plans are in accordance with the scholars, and the company has aggressive expansion plans in Sweden, the Nordic region and also in the Middle East, which according to Olson’s model is in line with the modern organization.

82 S. Gjerde et al. Tracking Performance: When Less is More, Management Accounting Quarterly, Fall 2007, p.1
MAX have been involved in many different businesses ranging from hotels to video stores and tanning studios, but have since a few years back sold off the non-hamburger restaurant business and focused on what they are most interested, indicating a strategic fit in their operations.

Benchmarking takes place by visiting the hamburger nation USA and by looking at what other competitors are doing, but then not only other fast food companies but also regular restaurants. Bergfors however argues that the company already is the market leader. This might imply that the company goes beyond mere benchmarking according to Quinn’s theory\textsuperscript{85}.

6.4 Outsourcing & Partnerships

NyhlénsHugosons does not according to Hugoson, outsource any part of their business, and most competence is believed to be available within the company. This could indicate a weakness according to the scholars, however there is no definite proof of that this approach is directly wrong either. This could be a result of how they perceive their core business.

Hägges have recently started a new partnership for distribution, this since they are too small to perform this by themselves, and also to increase their presence through a well experienced sales consultant. Partnerships e.g. with IKEA and outsourcing of administrative tasks through “rented personnel” both indicate a long term commitment to their customers and in accordance with the theories of Olson\textsuperscript{86} and Quinn\textsuperscript{87}.

Partnerships and outsourcing is also something that is commonly used at IKEA. From logistics to security and facility services, IKEA focuses on the sales of their products rather than other business. This is according to the academics also strength and something that shows that the company is a contemporary player\textsuperscript{88}.

Contrary to the theories of Olson and Quinn\textsuperscript{89}, Stefan Karlsson at Hotell Lappland does not outsource any parts of his business or work which according to these scholars are not in line with a modern company.

Hotell Dragonen have recently created a few partnerships on a franchise basis, most likely indicating a contemporary forward looking attitude of a modern company as described by Olson and as mentioned earlier. The company has outsourced some functions including administration to Deloitte, again in accordance with the theory of Quinn.

\textsuperscript{86} E G. Olson, Not by Technology Alone: sustaining winning strategies, Journal of Business Strategy: Vol. 27: No. 4 2006: p.37
At MAX, parts of the business, such as the earlier mentioned manufacturing of products are outsourced, pointing to a competitive advantage according to Quinn.

MAX and Bergfors is also on the lookout for potential partners willing to buy the franchise rights for the earlier mentioned countries, possibly indicating that MAX as well is a modern company as indicated by Olson’s model\textsuperscript{90}.

### 6.5 IT & Business Intelligence

NyhlénsHugosons argues that there is great potential in new IT solutions and Hugoson himself finds his new cell phone with e-mail function very helpful and means that that he now does not have to bring his computer everywhere. This can indicate that NyhlénsHugosons stays up to date with the current developments of the IT-society, and Hugoson mentions the QuickView- system used by the company.

At Hägges, Tord Ekegren mentions the use of e.g. the Nielsen Index to receive information about sales. Furthermore, the implementation of the new computer system that enables the company to better see and measure what’s going on in the company. Ekegren dislikes the passing around of paper documents and wants quick information, the new IT systems for better leveraging of BI might indicate that the company has understood the need for responsiveness and also seen the opportunities with that the IT society offers, in accordance with the theory of Gjerde and Hughes\textsuperscript{91}.

Hotel Lappland does not currently use any specific IT systems to leverage business intelligence, something that can point to that the company is either small or has little interest in this. However, Karlsson sees great potential in future IT development as something that can help his company, and which can indicate a forward striving perspective of a contemporary business as described by Olson\textsuperscript{92}.

At Hotell Dragonen, no special IT systems are used for the leveraging of business intelligence as far as Edin knows, but the company uses their web pages thoroughly in order to distribute information about past and coming events. This might indicate that the company stays up to date with the current developments in the IT area as described by Olson and Ross\textsuperscript{93}, and also Gjerde and Hughes\textsuperscript{94}.

Neither of Carstedt and Hallberg nor Bergfors at MAX have anything to say about the use of IT and BI, making the question impossible to answer in the cases of IKEA’s and MAX.

\textsuperscript{91} S. Gjerde et al. Tracking Performance: When Less is More, Management Accounting Quarterly, Fall 2007, p.1
\textsuperscript{93} L. Ross, Strategic Global Management, Financial Management, Feb 2008: p.31.
\textsuperscript{94} S. Gjerde et al. Tracking Performance: When Less is More, Management Accounting Quarterly, Fall 2007, p.1
6.6 Schools of Thought

Relating what Hugoson said about himself and his company with the strategic schools of thought, the answers might indicate a systemic approach: locally anchored and with its niche, indicating a differentiation.

Based on the information given by Ekegren, Hägges might have adopted a split systemic/local and processual perspective to business, trying to “play” on a classical Swedish fika-theme. There seems to be sustainable investments in strategy and the company might strive to be an industry leader. At the same time, there is not an awful lot pointing to the company being a “driver” in the business and hence also the possible processual, laisse-faire indication.

Looking at the strategic schools of thought, IKEA have a general idea of their business, but as Carstedt mentions strategy has many times been emergent and maybe indicating an evolutionary view to things. Then again, IKEA is arguably a leading local player too with most stores outside of Sweden indicating a systemic and local interest in adapting to the requisites of the specific market.

Stefan Karlsson at Hotell Lappland does not like to any kind of rational analysis but rather quick responses, possibly pointing to a mix between a classical military type of organization and an evolutionary/surviving type of organization in terms of schools of thought. He has sold off his other businesses because of the belief of a coming recession, possibly indicating that he does not believe that will generate sufficient profit.

In terms of strategic schools of thought, Edin mentions that analysis is important in his business, perhaps pointing to a learning and systemic/local perspective to business, and Edin claims that the company takes on step at a time, not rushing things. Hotell Dragonen has possibly some parts of a processual/emergent- and some parts of a systemic approach.

MAX is most likely a favor of the systematic school with parts of processual thinking involved. This is because of the mix between academic strategic planning and guidance by reality (emergent strategy). They look for partners in the foreign market in order to better serve their customers there, hence possibly indicating a local and thought trough approach.

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7. Conclusion

My research question was; how is strategic planning perceived in Swedish companies? And I have strived to obtain a better understanding of how these included companies perceive strategic planning.

The question and its conclusion is based not my subjective feelings but on selected common theories by well published authors on the subject.

The purpose has been to look at a few different Swedish companies in order to see how they perceive planning, vision and mission, to gain some understanding about the strategic planning in Swedish companies and to shed some light on this most likely increasingly important subject.

Based on the material from the interviews, one can draw some conclusions about the strategic planning in the studied companies. All companies differed in some aspects and to some extent in their planning, some of them with clear ambitions, others with less structure.

NyhlénsHugosons seems to have a clear definition of their strategy, an informative (through newsletters) and visible leadership style and an understanding of the IT possibilities available to their company. The company also seems to have understood the value of partnerships as described by the scholars. They seem to use their position in the region according to what theory argues to be beneficial for a company. The company also acquired another in the same region strengthening their position and in accordance with theory. Close to all theories in my theory chapter are somewhat involved and employed at NyhlénsHugoson, possibly indicating that the company has spent time on their strategic planning. Some things could perhaps be adjusted in accordance with theories, but then again great entrepreneurs seem to try their wings without too much interference.

Hägges too were able to put words to their strategy and vision. There has been recent investments in IT solutions, partnerships are developed, functions are outsourced and a strategic fit has been implemented, possibly pointing to a long term focus in the company and in accordance with academics. In terms of leadership, Hägges president might have a similar attitude as NyhlénsHugosons being informative and visible, but not as outspoken as his colleague because of the lack of definite examples. However, IT/BI, partnerships and outsourcing, strategic fit et cetera are all arguably parts of a long term strategic planning at Hägges, at least according to the scholars.

Göran Carsted and Henrik Hallberg both provided insight of their experiences at IKEA where strategic decisions are taken together with the involved parts instead of just within the directorate, possibly pointing to a informative and visible leadership like in the previously mentioned companies. Benchmarking takes place, just as partnerships and outsourcing. However there is little strategic fit,
possibly pointing to an emergent strategy – also described by Carstedt. However, because of the fulfillment of many of the theoretical aspects, there is indication of a strategic planning process at IKEA as well.

Stefan Karlsson at Hotell Lappland had no clear definition of strategy, but mentioned that all decisions are taken in a team. As to leadership, Karlsson is both passive and active as he describes it, a possible indication of little consistency. There is a trainee-program for employees, perhaps strengthening their interest in the company and there seems to be a strategic fit with the hotel business. However, no functions are outsourced and no partnerships are mentioned during the interview. Karlsson considers differentiation, which is in accordance with the theory, but the lack of other fit with theories could be an indication that strategic planning is possibly either emergent or nonexistent at Hotell Lappland. There are of course other possible theories that could fit to Karlssons business, but in this study there were few connections to theory and compared to the other interviewed managers. An option would be for Karlsson to think more about the different theoretical consideration and perhaps talk to an external consultancy firm like e.g. Deloitte. Then again, Karlsson seems to have little interest in these things, but rather prefer to do “his thing”, which is not necessarily wrong, but not in accordance with scholars.

Fredric Edin, the second hotelier, at Hotell Dragonen defined the vision of his company. He has, according to himself, a delegating leadership style, which means that his coworkers help him with e.g. benchmarking et cetera. Decisions are taken mostly in cooperation with his partner Robert Trohagen. Lately the company has started to create partnerships with other hoteliers and night club owners in Sweden in order to offer their concept in several cities, according to the academics a positive move. Some functions such as e.g. administrative tasks are outsourced to a company specialized in just administration, and Edin and his partner can focus on what they do best. The company does not currently employ any special IT/BI systems as far as Edin knows, but takes advantage of the constant developments in the area, e.g. in the distribution of information. They have found a niche that other night clubs do not offer and hence differentiate themselves. There is more or less a strategic fit to the hotel/restaurant business that Edin and his partner focus on. Overall, there might be an emergent strategic planning process at Hotell Dragonen, but as Edin himself mentions, they take step by step and do not rush anything. Things could be done in order to achieve a more theoretical approach to business and since Edin and his partner are experiencing success and taking one step at a time, this is possibly something that could happen in the future.

MAX leader Richard Bergfors does not especially like the theoretical and academic framework to business, and does not give any special definition of the strategy at MAX. However, he mentions that they have two- and five- year plans and that most decisions are taken within the family in cooperation with the board of directors. Bergfors frequently visits his restaurants and like some of the other leaders, claims to be an informative and visible leader. The company benchmarks itself with competitors to a certain extent, as described by the academics, but does not pay an awful lot of attention to them but tries to find their own thing. There is differentiation in e.g. health aspects and in accordance with theory. Functions are outsourced such as the production of supplies. The company is looking for partners in other countries in order to expand their concept, and a possible sign of long term strategic thinking. Many of the theories in the theory chapter are also here present in one way or another; possibly pointing to that MAX has a strategic planning process, but that as mentioned by Bergfors himself it is not always structured, thus possibly indicating an emergent approach.
An interesting angle to the subject is whether the outcome and content of the interviews can be described as “words or actions”, this meaning did the studied companies talk the talk, walk the walk or both. Interestingly most companies in this study did not talk very widely about their strategies using popular and theoretical expressions, the strategies instead were described in their direct actions possibly indicating that the companies had little interest or knowledge in the latest business terminology. Only one company showed little indication of either of the two and further studying could perhaps be beneficial.

The model below is a quick guide to whether the studied companies view on strategies can be considered mere words or actions:

<table>
<thead>
<tr>
<th>Company</th>
<th>Words</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>NyhlénsHugosons AB</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>IKEA</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Hägges Finbageri AB</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Hotell Dragonen</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Hotell Lappland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAX Hamburgerrestauranger AB</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Model 8: Conclusion model

As a final thought, it could be interesting to study why the companies differ in strategic planning which possibly requires a deeper approach but nevertheless could be an interesting topic for further research.

8. Assessment of My Quality (Criteria for Evaluating Qualitative Research)

Does my work answer my research question and are the answers true, these are questions that relates to the reliability and validity of a certain report. According to Bryman and Bell reliability and validity are important criteria when assessing the research quality of quantitative research. However, Bryman and Bell argues that the term validity is of less importance\(^\text{96}\) since I am conducting qualitative research and not aiming to measure anything.

\(^{96}\) A. Bryman et. al., Business Research Methods, Oxford, Oxford University Press, 2007, p. 410
Studies made by Guba and Lincoln in Bryman and Bell\textsuperscript{97} propose trustworthiness and authenticity as more suitable ways of assessing a qualitative study. Trustworthiness consists of four different criteria:

- Credibility: Can be said to exist if more than one observer observes the same as others. Halldórson and Aastrup describe this as a match between the interviewees’ answers and the researchers’ representation of these answers\textsuperscript{98}. That is if I present the views of the interviewees in a proper manner that answers the research question on how strategic planning takes place in the Swedish companies that I have chosen to study.

- Confirmability: Exists if it is apparent that the researcher has acted in good faith. In other words the outcome of my study is a result of the answers of the respondents linked to theory, and hence not biased by my personal beliefs\textsuperscript{99}. In this paper I have presented the outcome of the interviews and then drawn conclusions based upon this material, this gives the reader a better chance to draw his or her own conclusions that also can be compared with mine to see if I have made the right inferences regarding the strategies and thus minimizes bias.

- Dependability: Can be described as an auditing approach and implies that every part of the work is recorded. Also means reliability and is achieved if another researcher, with the same instruments – questions etc, comes up with a similar result\textsuperscript{100}. However, the respondents in my case might change their answers if questioned again depending on whether they liked the result of the previous study or not. Nevertheless, the material from the interviews such as audio recordings, interview guides and transcripts are stored and are available for review.

- Transferability: Can be described as the degree to which the findings of a certain work can be generalized across social settings or to make general statements about the world\textsuperscript{101}. However, in my study I do not aim to generalize, but rather provide an insight to what the reality could look like in Swedish companies 2008.

The second part, authenticity, is made up of five criteria\textsuperscript{102}:

- Fairness: Does your research cover different viewpoints from different people? I include several different managers in my study which makes this criteria to be somewhat fulfilled.

- Ontological authenticity: Can be said to exist if the research assists to help people better understand their environment. I believe that by asking my questions I have gotten the respondents to start to think more about strategy.

- Educative authenticity: Can be said to exist if the research helps members of the same social setting to better understand different perspectives. Again, I believe that asking my questions also have gotten the respondents to think more about the impacts of strategy.

- Catalytic authenticity: Exists if the research spurs others to engage in actions to change their

\textsuperscript{97} Ibid p.410.
\textsuperscript{100} Ibid, p. 328.
\textsuperscript{101} Ibid. p.327.
circumstances. I am of the opinion that the mere action of interviewing the different managers has spurred them to take action when it comes to the strategic planning process, or at least spend some time thinking about the possible opportunities that strategic planning can bring.

-Tactical authenticity: Exists if the research has lead to empowerment of members in order to engaging in actions. In my case the tactical part feels less relevant since I am doing a qualitative study in order to merely provide an insight to how strategic planning takes place in different Swedish companies today. Since my aim is not to judge or to put any subjective meaning to the study I cannot be responsible for any action taken by the respondents after the research has been completed.

Another problem Hardy mentions is that it can be to integrate text and context within a single study like mine\textsuperscript{103}, however since using a broad theoretical base where the different researchers seem to agree on many topics, I feel that the theoretical framework is sufficient for this single study. Then again, scholars and entrepreneurs are different and there is not always a fit between what one another thinks and reasons. After all, strategy and strategic planning is about interpretations.

\textsuperscript{103} C. Hardy, Researching Organizational Discourse, International Studies of Management and Organization, vol 31: No 3: p.31.
9. Bibliography

9.1 Articles


QUINN, J.B. Strategic Outsourcing: Leveraging Knowledge Capabilities. Sloan Management Review: Summer 1999:


9.2 Other Articles


9.3 Books


9.4 Internet sites

10. Appendices

10.1 Interview Guide

Questionnaire:

1. Vision, Mission and Goals - How do you interpret strategy?

In the literature:

2. Have strategies changed over the years? Are the owners included in the formulation process?

4 P’s:

- How is strategy developed? Is strategy for you a plan in order to deal with certain things? Is strategy developed continuously? Are the strategies guiding the company or is it the reality? – Do they adhere to their strategies?

- Is strategy something that you use to intimidate your competitors?

- Do you have a niche? Give an example.

- Is the current strategy successful? Give an example.

- Do you lead or follow in your industry? Give examples

3. How do you interpret/relate strategies and the situation of the employees? Communication. Do you believe that there is a link between employee satisfaction and customer satisfaction? – Hughes

4. How are strategies communicated in the organization? What do you do next and how do you measure “successful strategies”?

5. Do you know your market and differentiate yourself? – How do you look at competitors, what do you look at, and who does this work – one person or several?

6. Do you outsource parts of your business e.g. logistics, facility maintenance or payroll?

7. In terms of business intelligence, what kind of technology systems do you use? Do you have any problems with any systems in the view of employees? Opportunities with new systems?

8. What significance do the strategies of competitors have in the formation of yours? Do you benchmark yourselves with other competitors in your business?
9. Do you consider any differences between different businesses of yours? - The aspect of strategic fit? Where are you to be found in your business cycle?

10. How are you as a leader?