Journal of MultiDisciplinary Evaluation
Volume 12, Issue 26, 2016

ISSN 1556-8180
http://www.jmde.com

Enhancing the Strategic Management Process Through the Use of Professional Evaluation Methods and the Logic of Evaluation

Nadini Persaud
University of the West Indies

Michelle Woodhouse
Catawba College

Michael Scriven
Claremont Graduate University

Background: The evaluation discipline has the potential to enhance other disciplines by integrating evaluation specific methodologies and logic into processes within other disciplines and improving/strengthening the manner in which evaluation of processes, programs and policies are carried out.

Purpose: This paper will highlight the evaluative nature of one of the most popular strategic management models (SMM) in corporate America, namely, Fred David's (2013) SMM, and examine how professional evaluation logic and methodology can be used to improve David's SMM.

Setting: NA

Intervention: NA

Research Design: The paper will make a comparative analysis between Michael Scriven's Key Evaluation Checklist (KEC) and David's SMM and highlight similarities and differences between the two models.

Data Collection and Analysis: NA

Findings: The paper will conclude by providing several suggestions to enhance and strengthen David's SMM to make it more robust, valuable, and useful in the business environment.

Keywords: *strategic management process; strategic plan; key evaluation checklist; evaluation*

Introduction

The discipline and practice of evaluation has grown in leaps and bounds over the last three decades. Notwithstanding, the evaluation profession is still considered to be in an embryonic stage and much work is needed to integrate evaluation specific logic and methodology in a more formal and systematic manner into more disciplines. Sharing and integrating evaluation specific knowledge across disciplines will greatly advance the evaluation profession. More importantly however, it will improve the manner in which processes are carried out and improve the evaluation of processes, programs and policies in various disciplines. Today, more than ever, sound evaluations are extremely important in all areas and disciplines since money is always in scarce supply. This means that choices frequently have to be made about which programs or policies to pursue. This is especially true in the business environment where changes occur almost daily. Companies therefore need to be quite proactive and continuously upgrade their evaluation methods in order to survive, prosper, and grow.

This paper will contribute to the business discipline by showing how evaluation logic and methodology can enhance and strengthen the evaluation process in Fred David's SMM, one of the most popular and widely used management approaches in the business field. Our discussion is structured as follows. First, we will provide a brief overview of the origins and the purpose of strategic management. Next, we will examine the pecuniary and non-pecuniary benefits of engaging in strategic management. This will be followed by a review of Fred David's SMM and Michael Scriven's KEC. We will then analyze the evaluative nature of David's SMM and discuss how evaluation methods can be used to improve the strategic management process generally. Finally, we will make a comparative analysis between the Scriven's KEC and David's SMM and conclude by providing some recommendations for improving David's SMM.

Origins of Strategic Management

The formal origins of strategic management can be traced back to the 1950s with the early era using the metaphor "business policy" which entailed functional integration of knowledge within a company. During the 1960s a new metaphor was coined—strategy. This newly coined metaphor entailed not only functional integration but also embodied the concept of competition strategy (Rumelt, Schendel, & Teece, 1996). However, it was not until the 1970s that strategic management (which is often now used interchangeably with term strategic planning) really started to gather momentum in the business world in response to various global business problems and business perceptions that strategic planning was the most viable solution to corporate problems (David, 2013). The 1970s witnessed three pivotal forces converging to shape and develop the practice of strategic management, namely, (1) changing global dynamics which necessitated finding new and better ways of responding to the unexpected, (2) the emergence of strategy consulting practices coupled with the development of useful strategic management tools, and (3) the diversification of firms in response to the changing global environment. These combined forces generated considerable demand for strategy analysis and forced organizations to embrace the use of strategic management tools in an effort to remain competitive (Rumelt et al., 1996). Today, the practice of strategic management in businesses is a global phenomenon. Additionally, courses in strategic management are a requisite component of every college/university degree in management and/or business (David, 2013; Rumelt et al., 1996).

Purpose of Strategic Management

Strategic management is defined as an art/science which involves formulating, implementing, and evaluating cross-functional decisions aimed at assisting organizations to achieve long-term organizational objectives/goals (O'Regan & Ghobadian, 2004; Wang, Walker, & Redmond, 2007). The process basically involves successful integration of a company's management process with the other business processes in the company's value chain (e.g., product design, marketing, finance/accounting, manufacturing/production, distribution, customer service) to optimize financial success and competitiveness by continuously modifying the company's existing strategy/policy in order to create new opportunities and exploit existing opportunities (David, 2013; Wang et al., 2007). According to Normann and Ramirez (1993) "strategy is the art of creating value" (p. 65), that is, it is the manner in which an organization defines its businesses and integrates knowledge using its competencies to create customer value (David, 2013).

An organization's strategic plan is essentially its game plan—a blueprint or roadmap—to optimize company success. This management tool facilitates organizational success by focusing on the company's goals, and then assessing/modifying goals in response to the rapidly changing dynamics prevalent in the business environment. Successful strategic management frequently requires that companies make tough managerial choices such as choosing from among many good competing alternatives and signals the firm's commitment to a specific course of action (David, 2013).

Strategic management is grounded in the principle that companies need to proactively manage change by conducting not only internal audits but also external audits (David, 2013). Today—more than ever—21st century company survival, competitiveness, and financial viability hinges on businesses mastering the art of effectively managing change (Waterman, 1987). In other words, companies need to constantly address several important questions regarding their raison d'être in order to remain competitive (e.g., Are we in the right business? Who are our competitors and how will they impact our business? How are our consumer demographics changing and how will we respond to changing needs?) (David, 2013). Answering such questions is of critical importance since rate and magnitude of change nowadays is being fuelled by numerous global factors such as technological advances, mergers/acquisitions, economic recessions, rapidly changing demographics, open markets, e-commerce and the like (Situma, 2012) which can quickly lead to organizational failure in situations where strategic planning is not being proactively practiced (Stoner, Freeman, & Gilbert, 1995). Nowadays, business survival and prosperity depend heavily on companies conceptualizing new and improved strategic tools and strategy analyses which involves intersecting strategy with basic disciplines to improve management practice and overall organizational performance (Rumelt et al., 1996).

Pecuniary and Non-Pecuniary Benefits of Engaging in Strategic Management

The strategic management process uses a systematic, logical, and rational framework/approach that helps management to proactively guide and control their firm's destiny (David, 2013). For firms interested in maximizing profit/growth, a carefully crafted strategic management process can be instrumental in realizing these financial objectives (Wang et al., 2007). Research indicates that a proactive strategic management process can help firms to avoid financial demise since firms become much more cognizant of external threats, and better understand their markets/customers needs (Wagner, 2013). Specifically, firms who engage in strategic planning are better prepared to confront and handle the daily challenges that occur in both the internal and external environment, and realize greater financial rewards compared to their counterparts in the industry who do not engage in strategic planning (Carland & Carland, 2003; Wang et al., 2007). Comparatively, research shows that lack of strategic planning is one of the major causes for business failures in most small and medium sized firms (Beaver, 2003; Orser, Hogarth-Scott, & Riding, 2000). In general, firms which do not engage in strategic management do not do so because they may not have the time to do so, may perceive the process as a waste of time, may not have the expertise on staff to engage in strategic planning, may envisage that the process is too costly, and may be content with the current success of their business (David, 2013; Robinson & Pearce, 1984; Wang et al., 2007). Consequently, some of these firms may frequently make ill-informed decisions because they may tend to concentrate on shortsighted activities based on informal forecasting (i.e., they tend to be strategically myopic), rather than concentrate on the longer term vision for the company which require rigorous and structural forecasting (David, 2013; Mazzarol, 2004; Wang et al., 2007).

The strategic management process is also associated with non-pecuniary benefits. Strategic management fosters a positive organizational climate or environment. Today, many firms who engage and use strategic management find it beneficial to utilize a decentralized approach in which lower level managers and employees become an integral part of the process. Firms today are cognizant that employee involvement and engagement in the strategic management process results in higher employee morale/motivation which translates into higher commitment and support to the realization of the overarching goals/objectives of the company (Ezigbo, 2012). According to David (2005) "ownership of strategies by the people who have to execute them is a key to success" (p. 14). Other tangible benefits of the strategic management process are that it: (1) allows firms to identify, prioritize and exploit available opportunities, (2) facilitates objective analysis of management problems, (3) enables adequate allocation of time and financial resources in the pursuit of opportunities, (4) encourages proactive strategic thinking, (5) provides the mechanism to support alignment of key decisions with established objectives (David, 2013), and (6) encourages enterprises to be more innovative/creative (Gibbons & O'Connor, 2005; Wang et al., 2007).

Fred David's Strategic Management Model

Various strategic models are in use and are discussed in the business literature. However, for the purpose of this paper we will discuss and analyze Fred David's SMM which is illustrated in his text Strategic Management: Concepts and Case Studies (13th Edition) since an internet search of business schools globally indicate that this is the one of the most popular text books used in many strategic management courses.

David's (2013) SMM has three distinct phases. Phase 1—*strategy formulation* is essentially the planning phase and is concerned with 5 activities. This phase commences with conceptualization of the organization's vision and mission (what the company plans to do and how) and forms the basic foundation for the strategic management process. The next two activities focus on a situational analysis of the current environment (internal and external audits) to determine the company's strengths, weaknesses, opportunities, and threats (SWOT). The internal audit which examines the company's strengths/weaknesses is done by evaluating the functional areas of the business over which the company has control. The external audit entails environmental scanning, that is, identifying opportunities/threats which could potentially help or harm the firm and which are often beyond the firm's control. The key external forces audited are: (1) economic, (2) competitive, (3) social/cultural/demographic, (4) political/government/legal, and (5) technological. The objective of the SWOT analysis is to enable a company to utilize its strengths and capitalize on available opportunities, minimize or avert threats, and improve the company's weaknesses. Activity four is concerned with establishment of the firm's long-term objectives. Finally, the strategy formulation phase concludes with the generation, evaluation, and selection of strategies that the company should pursue (David, 2013).

The second stage of David's SMM is *strategy implementation* which is generally perceived as the action phase. It entails translating the organization's strategy into reality via development of policies and procedures and allocation of resources to get the strategy executed. It also entails full employee mobilization and creation of a conducive supportive work environment which motivates employees to optimize work performance so that the organization's desired outcomes can be realized. This phase is generally considered the most difficult phase since many unanticipated and/or unforeseen events can occur during implementation (David, 2013).

The final stage in David's (2013) SMM is the *evaluation* phase which is essential to organization well-being. This stage is important since the process triggers a review of objectives and values—as well as strategy. It is during this phase that inefficiencies and/or ineffectiveness of the organization's comprehensive plans are highlighted and management is alerted to potential problems which could escalate and become critical. Common activities conducted during this phase include: scanning the internal/external environments to see if changing environmental conditions would necessitate strategy revision, evaluating company performance using well established industry ratios such as earnings per share, return on investment and so on, and taking corrective/proactive action where variances and/or deviations are noted (David, 2013).

Michael Scriven's Key Evaluation Checklist

The KEC is one of the most well known professional evaluation methodologies in use globally. This checklist which is the brainchild of Michael Scriven can be applied to almost any setting or evaluand—the business world being no exception. The KEC provides a useful framework for evaluation planning and reporting. This framework assists in ensuring that all important ingredients for a sound evaluation are considered, so that valid conclusions about the evaluand can be made. The KEC comprises four major sections, namely: Part A—Preliminaries, Part B—Foundations, Part C—Sub-evaluations, and Part D—Conclusions and Implications (Davidson, 2005; Scriven, 2015).

The Preliminaries Section includes 3 sub-sections, namely, executive summary, clarifications, and design and methods. This section provides basic information about the evaluand and summarizes the major results from the evaluation, provides clarity on a number of issues (e.g., who is the client, who are the stakeholders for the evaluation report, what are the evaluation questions), and describes in detail the methodology that will be used to conduct the evaluation (Davidson, 2005; Scriven, 2015).

The Foundations Section provides descriptive information on the evaluand (e.g., background and context), descriptions and definitions (e.g., context of the evaluand, environment), who the evaluand serves (e.g., its consumers, impactees), evaluand's resources (e.g., financial, physical, intellectual-social-relational), and the values applied to assess the evaluand (Davidson, 2005; Scriven, 2015).

The Sub-Evaluations section is explicitly evaluative in nature. This section deals with the application of values to descriptive facts to derive explicitly evaluative conclusions. It is concerned with process and outcome (effects) evaluation, costs (e.g., cost-analysis computations), comparisons (e.g., analyzing different alternatives such as a more expensive or less expensive option and the pros/cons of each option), and generalizability (e.g., can the evaluand be used in other places, how easy is it to export the evaluand) (Davidson, 2005; Scriven, 2015).

The final section “Conclusions and Implications”, deals with synthesis analysis (i.e., a unidimensional conclusion resulting in an overall grade or rank or a multidimensional conclusion—a profile on several dimensions), recommendations, explanations, predictions and redesigns, responsibility and justification (i.e., an analysis of exactly who or what was responsible for good/bad results), report and support, and meta-evaluation (Davidson, 2005; Scriven, 2015).

The Evaluative Nature of David’s SMM

Our summary of Fred David's SMM highlights that evaluation takes place in two of the three phases of the model, namely Phase 1—strategy formulation and Phase 3—strategy evaluation. In Phase 1, strategists evaluate the organization's strengths, weaknesses, opportunities, and threats and based on this analysis selects the most beneficial strategies that the firm should peruse. Phase 3 which is dedicated solely to strategy evaluation basically focuses on identification of potential problems and company performance. This phase can often prove to be quite complex, as well as quite sensitive (David, 2013). Notwithstanding, strategies require constant modification because internal/external factors are dynamic and continuously changing which means that strategies cannot remain static. As such, David (2013) notes that in Phase 3, it is important to (1) examine "the underlying bases of a firm’s strategy", (2) compare "expected results with actual results", and (3) take "corrective actions to ensure that performance conforms to plans” (p. 317).

Activity 1 of Phase 3 entails reviewing the internal/external factors that formed the basis of the existing strategies. Strategists need to continually monitor the internal/external environments for changes which could both negatively and/or positively affect the firm. Where significant differences are noted, then corrective action is required (Activity 3). However, if significant differences are not observed, then strategists can move to Activity 2 (David, 2013).

Activity 2 of Phase 3 is concerned with measurement of the organization's performance—annual and long-term. This activity entails a comparative analysis of expected results versus actual results, an analysis of why deviations occurred, and an examination of individual performance, as well as progress made in meeting goals. Strategists normally use quantitative criteria such as financial ratios in order to evaluate strategies and make comparisons to industry benchmarks. Common financial ratios used include:- return on investment, profit margin, earnings per share, and debt to equity, to name a few. These ratios are used to compare the organization's performance over time (generally a 5-year period) and also to make comparisons between the organization's performance versus industry performance. Any significant differences between objectives and actual results would necessitate corrective action (Activity 3). However, if no corrective action is required, strategists would continue the current course of action (David, 2013). In essence, this process is quite similar to goal-based evaluation and objectives based evaluation since success is measured by comparing expected results with actual results.

Using Evaluation Methods to Improve the Strategic Management Process

> Evaluation is possibly the most important activity that has allowed us to evolve, develop, improve things, and survive in an ever-changing environment (Davidson, 2005, p. 1).

Numerous definitions abound for evaluation. Fitzpatrick, Worthen, and Saunders (2004) define evaluation as the “identification, clarification, and the application of defensible criteria to determine an evaluation object’s value (worth or merit), in relation to those criteria” (p. 5), while Patton (1997) defines program evaluation as “the systematic collection of information about the activities, characteristics, and outcomes of programs to make judgments about the program, improve program effectiveness, and/or inform decisions about future programming" (p. 23). Michael Scriven who is described by Alkin (2004) in his book Evaluation Roots—Tracing Theorists' Views and Influences as the founding theorist on the valuing branch in the *Evaluation Theory Tree* defines professional evaluation as "the systematic determination of merit (quality), worth (value), and significance (importance) of an evaluand (Scriven, 2003). Regardless of its definition, evaluation is undoubtedly an important component of almost every human activity.

Nowadays, businesses exist and operate in a very turbulent environment. In light of this, it is important that evaluation be a basic component of all business types—large or small—private or public. Generally, evaluations are conducted in organizations for two main reasons, namely, for improvement (formative evaluation) or for accountability or reporting (summative evaluation). Evaluation is extremely important in organizations because the best practices of yesterday become rapidly outdated as a result of technological advances, shifting demographics, changing needs and demands of customers, and so on. Companies therefore cannot afford to adopt a laisser-faire attitude and assume that strategies that worked well in the past will be equally effective in the future, since the environment within which they operate is dynamic and constantly changing. In order to avoid stagnation, companies need to proactively evaluate strategies and discard, maintain, revamp or develop new strategies. This type of assessment can be enhanced through the integration and application of professional evaluation theory and methods into the strategic management process. Organizations today need continuous assessment of new or revised strategies to determine if they are actually better than previous strategies or if they are better than other alternative strategies that the firm could have implemented. In other words, whenever a company devises a new strategy or revamps an existing strategy, it is important to consider the value of the strategy and professional evaluation and the logic of evaluation can be very useful in this respect.

Comparison Between Scriven's KEC and David's SMM

David's SMM share a number of similarities with Scriven's KEC. This section will elaborate on those similarities, as well as discuss differences between the KEC and David's SMM. The comparative analysis between the KEC and SMM is shown in Table 1. In analyzing the similarities and differences between the KEC and David's SMM in the discussion which follows, the acronym DSMP will be used to refer to David's strategic management process.

Part A—Preliminaries

Similar to the KEC, DSMP begins with an executive summary—a succinct overview of important details. DSMP does not document any clarifications, nor does it document any formal methodology; notwithstanding, the process does use a methodology. For example, the conduct of an external and internal audit (SWOT analysis) is a unique management specific methodology.

Part B—Foundations

Like the KEC, DSMP includes background information on the company. This is generally included under the strategy formulation phase. A description of the company is also presented in the strategic plan which documents the company's vision, mission, and objectives, as well as an analysis of the strengths and weaknesses of the company. DSMP mentions the word *customers* in the mission statement; however, detailed information on the demographics of *customers* is not provided. Comparatively, the KEC clearly identifies its consumers/impactees. Similar to the KEC, DSMP discusses resources. This discussion is included under implementation which provides a detailed breakdown of the allocation of resources (financial and human) needed to execute strategies. The KEC and DSMP both include values. However, the definition of *values* is different. In the KEC, the values that are used to evaluate the evaluand may come from an understanding of the evaluand—that is, criteria or dimensions of merit, and/or other relevant values such as ethical and legal requirements, cultural values, professional standards, and so on. In contrast, in DSMP, overall values of the firm are addressed in the mission statement or statement of philosophy of the firm. This is actually one of the first activities that a firm completes since all other activities that follow have to be aligned with the company's mission, stated values or priorities. According to David (2009) "most practitioners of strategic management feel that an effective statement exhibits nine components" (p. 61) namely, customers, products, markets, technology, sustainability, growth/profitability, philosophy, self-concept, concern for public image, and concern for employees.

Table 1.
Similarities and Differences between Scriven's KEC (Version 100±) and David's SMM

KEC			SMM
Part A—Preliminaries			
	A1	Executive Summary	√
	A2	Clarifications	x
	A3	Design and Methods	√ [1]
Part B—Foundations			
	B1	Background and Context	√
	B2	Descriptions and Definitions	√
	B3	Consumers (Impactees)	√ [2]
	B4	Resources	√
	B5	Values	√ [3]
Part C—Sub-Evaluations			
	C1	Process	? [4]
	C2	Outcomes	√ [5]
	C3	Costs	√
	C4	Comparisons	√
	C5	Generalizability	x
Part D—Conclusions and Implications			
	D1	Synthesis	√
	D2	Recommendations, Explanations, Predictions & Redesigns	√
	D3	Responsibility and Justification	√ x [6]
	D4	Report and Support	√
	D5	Metaevaluation	x

1 Methodology not documented √ = included; x = excluded
2 Mentioned but not discussed in detail
3 Different meaning
4 Lacking when goals/objectives met
5 Not extensively discussed
6 Justification not addressed

Part C—Sub-Evaluations

Process evaluation is lacking in DSMP when the organization's goals and objectives are met. Specifically, the quality of the implementation of strategies is overlooked. The focus rather is on whether or not the stated objectives are met. In the KEC, this checkpoint provides an explicitly evaluative "assessment of merit/worth/significance of everything that happens or applies before true outcomes emerge especially the vision, design, planning, and operation of the program, including the justification of its goals" (Scriven, 2015, p. 28-29). Outcome evaluation is addressed in DSMP to a lesser extent. Strategists do evaluate which strategies succeeded/failed; however, this evaluation does not necessarily assess the extent of the success. The process of analyzing alternative strategies in order to select the best ones does provide a comparative cost analysis. No firm can afford to implement all identified strategies. Therefore, strategies must be prioritized and ranked so that the most profitable strategy can be selected. The strategy selection process uses information from the SWOT analysis, that is, strengths are used to capitalize on opportunities and avoid threats, whilst trying to improve on weaknesses. Firms are constantly compared to their rivals/competitors in the industry in order to determine their quality, value or worth. The criteria used to compare a firm with its competitors are known as critical success factors. Critical success factors are selected based on how important the factor is for the company and its competitors to be successful in the industry. To facilitate this process, a competitive profile matrix is used to make comparisons to rivals on a number of internal and external factors such as global expansion, price competitiveness, market leverage, financial position, to name a few. The factors identified for use in the competitive profile matrix are identified by strategists using expert judgment. In order to determine "how good is good", the financial ratios are compared to industry figures. Financial ratio analysis provides a good benchmark of a firm's success compared to its rivals. Generalizability, which Scriven (2013) also refers to as exportability, transferability, or transportability, is not a component of DSMP. Companies operate in dynamic environments where factors change constantly. This is not to suggest that strategists believe that their strategies cannot be used, adapted, or modified in another setting. Rather, it is just not discussed in DSMP.

Part D—Conclusions and Implications

Synthesis is one of the most important checkpoints in the KEC. Synthesis refers to the "process of amalgamating a set of ratings or performances on several dimensions or components into an overall rating" (Scriven, 1991, p. 342). In DSMP, an overall rating of the company's combined strategies is not done. However, in the strategy formation phase, micro synthesis is performed. For example, internal and external audit matrices are prepared directly from the SWOT analysis. The preparation of these matrices facilitates the assignment of weights and ratings to the company's strength and weakness, as well as opportunities and threats. Recommendations are an integral part of both the KEC and DSMP. However, Scriven (2015) cautions that macro recommendations should be serviced only by a properly conducted summative evaluation and that such recommendations depend on matters other than mere determination of merit/worth/significance. Explanations are also an important component of this KEC checkpoint. The KEC recommends that explanations should be given on why things went right or wrong. Like the KEC, DSMP also provides recommendations and explanations. DSMP recommends strategies to pursue and also provides explanations to support the recommendations, as well as suggest contingency plans. Additionally, in the evaluation process, strategists also try to figure out why the strategies have failed since such knowledge is critically important for improvement. The KEC's responsibility and justification checkpoint is recommended as a good checkpoint to include for accountability purposes. Scriven (2015) however notes that the allocation of blame or praise requires extensive knowledge of a number of issues. Therefore, it should not be done unless this knowledge is available. In DSMP, responsibilities are outlined under the implementation phase. However, justification is not a part of DSMP, that is, no details are provided on who is responsible for bad results—let alone good results. Reporting is quite similar in both cases. Written reports and oral presentations are usually done and different stakeholders receive the reports. The final component—meta-evaluation (i.e., an evaluation of an evaluation) is recommended by Scriven (2013) as a quality control measure. The purpose of a meta-evaluation is generally to ensure that the evaluation was conducted in a rigorous and ethical manner. Evaluations should have validity, utility, and credibility, and be cost-effective, whilst meeting established standards for legality and ethics. Meta-evaluation is not part of DSMP.

Improving David's SMM/Strategic Management Process

The foregoing discussion has highlighted the similarities and differences between the KEC and DSMP. This section will now focus on how DSMP can be enhanced by incorporating evaluation theory and methods in the strategy evaluation phase (see Table 2).

First of all, the strategy evaluation phase is currently conducted by in-house personnel. However, the use of in-house personnel carries the inherent limitation of bias since in-house personnel have a vested interest in the results. The use of strictly in-house personnel therefore compromises the credibility or independence of the process. Using an independent trained evaluator can greatly enhance credibility of strategy evaluation.

Second, DSMP is essentially goal-based. In the strategy evaluation phase, strategists focus primarily on comparing expected results with actual results. However, although a firm may achieve its stated objectives, an important question is "*Should firms be satisfied with achieving only their stated objectives*?" As David (2005) notes, "success today is no guarantee of success tomorrow" (p. 81). Thus, mere evaluation of whether or not a firm has achieved its stated objectives is not sufficient, since there is always room for improvement and growth. When only a goal-based perspective is utilized, other important issues that are also important for improvement and growth are ignored. For example, firms can derive useful information by taking into consideration side effects and side impacts (good or bad) that may be occurring as a result of implementing certain strategies.

Another important question is whether the information in DSMP actually allows management to draw valid conclusions about how well the strategy is doing. David (2005) notes that "problems may arise due to ineffectiveness (not doing the right thing) or inefficiency (doing the right thing poorly)" (p. 317). These are important issues that also need to be considered. Moreover, even when a strategy is successful, it is still important to find out the strengths and weakness of the strategy since this information can further improve or enhance the effectiveness of the strategy. Identification of both strengths and weaknesses of strategies should therefore be incorporated into DSMP.

Process evaluation in the implementation phase can also enhance DSMP. As previously mentioned, the process evaluation checkpoint of the KEC provides an explicitly evaluative assessment of everything that happens prior to the emergence of true outcomes. Evaluating the quality of implementation will therefore highlight whether or not the implemented strategy was both efficient and effective.

The provision of an overall grade (e.g., excellent, good, satisfactory, poor) of a company's combined strategies is currently not considered in DSMP. However, macro synthesis of this nature can help companies to excel because if macro synthesis indicates that a company's combined strategies is less than "excellent" then companies can take corrective action to achieve an "excellent" rating.

Table 2.
Suggestions for Improving the Strategic Management Process

1. Use trained independent evaluators
2. Incorporate goal-free evaluation to determine side impacts and side effects (good or bad)
3. Identify ineffectiveness/inefficiency
4. Determine strengths and weaknesses of strategy
5. Use process evaluation to evaluate quality of implementation
6. Use macro synthesis to ascertain overall grade of company's combined strategies
7. Make responsibility and justification more detailed
8. Incorporate meta-evaluation into the process

Currently, DSMP does not capture whom or what was responsible for the good or bad results. However, such as analysis is important. Individuals should be credited for success. Likewise, those responsible for bad results should also be identified. Additionally, this analysis will also help to identify internal and/or external factors that are responsible for success or failure of particular strategies.

Finally, meta-evaluation should be a component of DSMP. Strategists should consider including this component in order to continually improve the evaluation processes utilized within the company. This would give strategists a sense of not only the utility of the evaluation but also the accuracy and feasibility of the evaluation process. This will be very beneficial for the company in the long run.

Overall, if DSMP were to incorporate the aforementioned suggestions into the process, the process would not only be more robust, but would also serve as a more valuable and useful tool for companies who use this model. Companies would not just be aware of whether or not they meet their stated objectives—they would also be aware of the positive and negative side effects and side impacts of the strategies implemented and would have a firm grasp on not only what went wrong, but also what went right and why. This will allow a company to further improve its processes and even surpass its stated objectives or goals.

Conclusion

Professional evaluation methodology and the logic of evaluation have the potential to enhance and improve DSMP. Incorporation of the suggestions provided in Table 2 can make the DSMP process much more robust. Today, more than ever, sound evaluations are extremely important in all areas and disciplines since money is always in scarce supply. This means that choices have to be made about which programs or policies to pursue. This is especially true in the business environment where changes occur almost daily. Companies therefore need to be quite proactive and continuously upgrade their evaluation methods. Moreover, companies need to evaluate at each and every stage of the business cycle to protect business survival and ensure growth and prosperity. The field of evaluation is still in an embryonic stage and much work is needed to integrate evaluation in a more formal manner into each and every discipline. Sharing and integrating evaluation specific knowledge across disciplines will greatly advance the evaluation profession. This paper has made a start by showing how one professional evaluation methodology can be used to strengthen and further develop DSMP, one of the most popular and widely used management approaches in the business field.

References

Alkin, M.C. & Christie, C. A. (2004). An evaluation theory tree. In M. C. Alkin (Ed.), *Evaluation roots: Tracing theorists' views and influences* (pp. 12-66). Thousand Oaks, CA: California: Sage Publications.

Beaver, G. (2003). Management and the small firm. *Strategic Change*, *12*, 63-68.

Carland, J. C., & Carland, J. W. (2003). A model of entrepreneurial planning and its effect on performance. *Journal of Business and Entrepreneurship*, *15*(1).

David, F. R. (2005). *Strategic management: Concepts and cases*. (10th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.

David, F. R. (2013). *Strategic management: Concepts and cases*. (13th ed.). Essex, England: Pearson Education Limited.

Ezigbo, C. A. (2012). Achieve organizational effectiveness by decentralisation. *European Journal of Business and Management*, 4 (20).

Davidson, E. J. (2005). *Evaluation methodology basics: The nuts and bolts of sound evaluation*. Thousand Oaks, CA: California: Sage Publications.

Fitzpatrick, J. L., Sanders, J. R., & Worthen, B. R (2004). *Program evaluation: Alternative approaches and practical guidelines (3rd ed.)*. Boston, MA: Allyn & Bacon, Inc.

Gibbons, P. T. & O'Connor, T. (2005). Influences on strategic planning processes among Irish SMEs. *Journal of Small Business Management, 43*(2), 170-186.

Groom, J. & David, F. R. (1991). Competitive intelligence activity among small firms. *S.A.M. Advanced Management Journal 66*(1), 47-53.

Patton, M.Q. (1997). *Utilization focused evaluation: The new century text* (3rd ed.). Thousand Oaks, CA: California: Sage Publications.

O'Regan, N. & Ghobadian, A. (2002). Effective strategic planning in small and medium sized firms. *Management Decision*, *40*(7), 663-671.

Orser, B. J., Hogarth-Scott, S., & Riding, A. L. (2000). Performance, firm size and management problem solving., *Journal of Small Business Management*, 38(4), 42-58.

Mazzarol, T. W. (2005). A proposed framework for the strategic management of small entrepreneurial firms. *Small Enterprise Research: The Journal of SEAANZ*, 13(1), 37-53.

Normann, R. and Ramirez, R. (1993). From value chain to value constellation: Designing interactive strategy. *Harvard Business Review, 71*(4), 65-77.

Robinson, R. B. & Pearce, J. A. (1984). Research thrusts in small firm strategic planning. *Academy of Management*, *9*(1), 128-137.

Rumelt, R. P., Scheddel, D. E., & Teece, D.J. (1996). *Fundamental issues in strategy: A research agenda*. Boston, MA: Harvard Business School Press.

Scriven, M. (1991). *Evaluation thesaurus*. Thousand Oaks, CA: Sage Publications.

Scriven, M. (2003). Evaluation in the new millennium: The transdisciplinary vision. In S. I. Donaldson & M. Scriven (Eds.). *Evaluating social programs and problems: Visions for the new millennium* (pp. 19-42). Mahwah, NJ: Lawrence Erlaum Associates, Inc.

Scriven, M. (2015). *Key evaluation checklist*. Retrieved from http://michaelscriven.info/

Situma, P. S. (2012). The effectiveness of trade shows and exhibitions as organizational marketing tool (Analysis of selected companies in Mombasa). *International Journal of Business and Social Science, 3*(22), 219-230.

Stoner, J. A. F., Freeman, R. E. & Gilbert Jr., D. R. (1995). *Management*. (6th ed.). Indiac: Prentice-Hall.

Wagner, E. T. (2013, September 12) Five reasons 8 out of 10 businesses fail. Retrieved November 01, 2015 from http://www.forbes.com/sites/ericwagner/2013/09/12/five-reasons-8-out-of-10-businesses-fail/

Wang, C. , Walker, E. A., & Redmond, J. L. (2007). Explaining the lack of strategic planning in SMEs: The importance of owner motivation. *International Journal of Organisational Behaviour*, 12(1), 1-16

Waterman, R. (1987). *The renewal factor: How the best get and keep the competitive edge*. New York: Bantam.