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Strategic management for small businesses

To most owners of small businesses, strategic management is a task that is only done in large businesses and is performed by individuals who have been freed from demands related to the daily operations of the firm. They believe strategic management might possibly offer some benefits, but the downside is it requires time and energy they just can’t afford to give.

In a sense, their assessment of the situation is correct. Big businesses do have planning departments and executive teams that are tasked with the development of long-range plans, while operation managers are busy implementing previously developed initiatives.

Conversely, managers of small businesses are generally responsible for multiple organizational functions, and most of the time they are more concerned with short-run survival than long-term goals and objectives.

However, in challenging economic times characterized by intense competition, technological change, changing demographics and a global marketplace, the savvy small business manager will give some thought to the future. Since most small businesses can’t afford to dedicate resources on a full-time basis to the strategic management process, they need to limit their strategic sessions to pondering the answers to three basic questions:

• The first question is: “Where are we today?”
• The second question is: “Where do we want to be in three to five years?”
• The final question is: “What do we need to do to get from where we are now to where we want to be in the future?”

The answer to the first question is usually well known by the company’s decision makers. The process needs to involve an assessment of current products, customers, operational results and human resources. Additional, the analysis needs to consider opportunities and threats presented by the external environment.

Are there technological, governmental, social or economic changes on the horizon that can impact the firm and potentially enhance or negatively affect the firm’s competitive environment? What about the competitive environment? Are there significant actions in place or being contemplated by competitors that threaten success? In short, the company needs to critically examine its functional areas and ask itself what are its distinctive competencies? That is, what do they do as well as or better than anyone else?

The answers to these questions are important because they tell the managers whether they’re prepared for growth or need to concentrate on shoring up their weaknesses so they can withstand competitive threats.

The answer to the question, “Where do we want to be in three to five years?” is frequently determined by the information gathered while answering question one. If the company has significant operational deficiencies on the external environment is especially unfavorable, the focus would probably be on improving internal operations or cautiously moving ahead while monitoring changes in the environment.

If the outlook for the external environment is favorable and the firm has significant internal strengths, it needs to look for opportunities to take advantage of distinctive competencies and pursue some type of growth strategy.

This action may involve providing current products to new customers, providing new products to current customers or moving into a new line of business.

The answer to the third question, “how do we get from where we are to where we want to be?” may be the toughest part of the process.

Having a vision for the future is important, but having a plan that implements that vision is absolutely critical. To reach some future point, the company needs to develop specific, measurable and verifiable goals and objectives.

There needs to be an action plan related to each objective that states the timing and sequence of major activities, resources required, responsible individuals and contingency issues if things don’t go as planned.

This is the step that converting hopes and wishes into reality. When it comes to strategic management, an average plan that is superbly implemented is much better than a superb plan with an average implementation.

The good news for small businesses is that all three steps in this process can be accomplished by key company personnel in twelve to sixteen hours of dedicated time.

So my advice to small business owners is to dedicate a couple of days to a retreat with your key managers and work through the answers to these questions.

The result will be a proactive plan for the future that can greatly improve your chances for success.

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The use of an individual’s online content made public via a social media site like Facebook or Twitter could prove potentially hazardous or advantageous when used as part of a litigation strategy in court.

The power of social media is now being harnessed as an essential litigation tactic in a wide variety of lawsuits.

In 2009, a federal court determined the discovery of all relevant SMS content is, in fact, permissible in a court of law (EEOC v. Simply Storage Management), regardless of user-activated privacy settings.

Similar cases that support SMS content discovery include Leduc v. Roman and Murphy. In these cases it was also determined that social media content is not shielded from discovery simply because it’s “locked” or “private.”

As of today, all SMS content relevant to any given case is subject to subpoena. The court’s interpretation of a SMS user “profile” includes wall comments, status updates, causes joined, groups joined, activity streams, pictures, blogs, personal information, tweets, re-tweets and lists of friends an individual has created online by using his or her SMS user account.

It is not unreasonable for the courts and attorneys to be moving in this direction considering SMS contains a volume of information that is shared online, particularly with the help of today’s smartphone technology.

In fact, it is quite reasonable when considering the intended function of a SMS — to serve as a platform for users to broadcast grievances and joys, causes, activism, personal activity streams and relationships online for their “friends” to see.

An attorney can subpoena this information to aid in the discovery of a case. The SMS information can be useful when determining what happened and an individual’s emotional mind set, degree of distress and even personal whereabouts during the course of litigation.

Using SMS content is becoming especially prevalent in cases involving divorce, online bullying cases, sexual harassment lawsuits and employee termination cases.

Of course, the scope of relevance regarding a subpoenaed SMS profile can be as inclusive as the entire profile or only to include all content directly related to the case, excluding third party communications.

However, the distinction when considering what relevant and non-relevant is imprecise and can only be clarified as it relates to a specific case.

Finally, the individual’s expectation and intent that their online communications should remain private does not translate into a legitimate excuse for shielding those communications from discovery — including personal e-mail records.

To avoid this potentially embarrassing and/or damaging situation, proceed with caution when sharing personal information online.

With more than 500 million users, Facebook updates its privacy settings on a continual basis, which may negatively or positively affect the user. It is important to read all updated information that Facebook is required by law to share with accustomed users.

It is clearly stated under the privacy settings of a user’s account that, “We [Facebook] may disclose information pursuant to subpoenas, court orders or other requests (including criminal and civil matters) if we have a good faith belief that the response is required by law or to protect ourselves and/or you from people violating our Statement of Rights and Responsibilities. This may include sharing information with other companies, lawyers, courts or other government entities.”

This litigation tactic of requesting social media content is not to be abused but can be used to determine a legitimate claim for both businesses and individuals.

When in doubt over specific circumstances regarding SMS content, consult a qualified attorney who specializes in litigation cases.

A good rule of thumb for anyone worried about these types of instances is to avoid over-sharing of personal information online in order to protect your privacy and to minimize your potential risk in a court of law.

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Caution social media users: Content is subject to subpoena