

Assessment of Business Enterprise and Strategic Thinking: A Study of Steady Growth Nigeria Limited

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ABSTRACT

Strategic thinking has been recognized as the bane for successful business enterprises. However, many managers of business outfits do not recognize the importance of strategic thinking; hence investments in most businesses keep falling beyond expectations of profit making. The paper assessed business enterprise and strategic thinking at Steady Growth Nigeria Limited. The paper was underpinned on decision theory. The study population was 263 and the sample size is 158 staff of the company. The study adopted survey research design. The major instrument of data collection was structured questionnaire. Face and construct validation were carried out on the instrument. Inferential statistics, such as frequencies, percentages, mean ratings etc were used for data analysis through the aid of SPSS. The study found amongst others that the firm reduced their fleet by maintaining 20 active 10years old trucks, introduced 40 numbers of 5years old trucks and discarded the rest of the fleet. They introduced a new technology that tracks the trucks indicating their location and the condition of the truck per time. The paper recommended amongst others that business enterprises should engage quality and innovative personnel to man strategic positions in a business. Training, research and other developments should be prioritized.

Keywords: *Business enterprise, petroleum products, strategic thinking, transportation.*

INTRODUCTION:

Historically, right from the era of barter till date, man has engaged in one form of business activity or another. Interestingly, the ability to think and manage such businesses entails its survival in a competing business environment. With independent and discovery of oil, Nigeria started noticing a surge in migration to cities, hence more human and vehicular movement. Not only were they migration, the migrant started engaging in economic activities that brought good return of disposable and other income. The demand for goods and service begin to increase, especially ostentatious good. There was visible spontaneous growth in economic activities that gave birth to a new entrepreneurial environment. It means that new enterprise started emerging to benefit from the lucrative nature of petroleum product and this opened another frontier for other major competitors.

The Nigerian government and Shell/BP made the first refinery in 1965 at Port Harcourt, fully acquired in 1983. As demand for petrol continue to increases without a corresponding increase on the product availability, the country begins to experience fuel shortage in 1974, therefore the need for more refineries hence Warri in 1978, Kaduna in 1980 and the lube plant in 1983. Trains system was used to move the refined product until 1978 when storage depots were made in some strategic location in the country and subsequently connected with pipelines. It was a relieved to the train system until vandals started destroying the pipes line.

The obvious frustration mounted pressure on related businesses. It then became imperative for similar enterprise to strategically sort for alternative and surer mode of transporting petroleum product to their

outlets if they must survive the competition and remain in business ('Business Enterprise', 2015). According to (Floyd, n.d), business enterprise is about creation of wealth, the practice of creativity, resourcefulness and the exploitation of change.

To surmount the pressure from this sudden change, Steady Growth Nigeria limited was incorporated in 2004 with over 200 trucks to engaging in haulaging of petroleum products. The company failed beyond expectation until 2009 when they strategically adopted a 3 years program to rationalize their transport system from a fleet of 201 to 60 trucks, they timely delivered improved quantity and quantity at a much reduced cost.

Enterprises strive to remain in business by being competitive, maximize profit and minimize cost without prejudice to its environment and the subsector. Regrettably, many managers of business outfits do not know the importance of strategic thinking in a business enterprise; hence investments and businesses keep falling beyond expectations of profit making.

With over 200 trucks in the fleet of Steady Growth Nigeria Limited, it has not fully maximize trips, deliver quantity and quality or respect the expected delivery time, hence the need for strategic thinking. It is against this background that the paper makes an assessment of business enterprise and strategic thinking at Steady Growth Nigeria Limited. The paper was guided by this specific objective; to determine how strategic thinking improved the transport system of Steady Growth Nigeria Limited.

CONCEPTUAL ISSUES:

Business Enterprise:

Daily, humans continuously engage in one activity or the other to satisfy their unlimited want. This quest compels him to involve in those beneficial activities that economically remediates his want. Literally, it can be said that the term 'business' means the state of being busy with gainful activity. It is perceived as that constructive human activity concerned with gain or profit making, therefore it is an engaged economic arena that allows for exchange of goods and services for mutual benefit. According to (Dickson and Akrani 2011), business refers to that form of activity conducted with the objective of earning profit for the benefit of those on whose behalf the activity is conducted. Similarly, Oxford dictionary (7th edition) defines business as the activity of making, selling, buying, supplying of goods and services for money. This simple but unique definition further highlighted the following features of a business as presented by (Akrani, 2011), as exchange of goods and services, profit or gain making, involvement of buyer and seller satisfaction of want.

Furthermore, the researcher considered the arena and availability of the said goods and/or service as key to any business. Also important is the possessing of the required skill by the actors. On the other hand, an enterprise is seen as a business or company (Encyclopedia, 2015). Also, enterprise was conceived as the readiness to act boldly (Riley, 2015). He also considers it as a business venture, or ability to think of new projects and make them successful. From every indication, it is the readiness to act, show initiative and boldness to execute. It requires a lot of determination, sensitivity, hard work to dominant circle of interest, be it economic activity or otherwise. It is not an adventure for the pessimist but a venture for the optimist. However, Business Enterprise (BE) is any type of operation that involves providing goods and services with anticipated outcome of earning profit. Business enterprise are designed to creates wealth, expands the market with new or existing product through sustained ideas, generate profit and satisfy the customer. It must fill an existing vacuum by meeting the need of the customer, (Business Enterprise, 2015) argued that it is the ability to challenge or disrupt accepted or established ways of engaging the market. It can also be seen as an arena or forum to manage conceived ideas. It has nothing to do with size, once the motive of the SME is to provide goods or service for mutual benefit. Business enterprise is a vast concept encompassing a whole range of business set to make profit.

Strategic Thinking:

This can be said to be the systematic approached or ways of doing things to a define success. According to ('Business Dictionary', 2014) it is a method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem. It can be said to be the art and science of planning and marshalling resources for their most efficient and effective use. The term is derived from the Greek word for generalship or leading an army.

[Business Dictionary \(2014\)](#) sees it as the action of using your mind to produce ideas, decisions, memories, etc., the activity of thinking about something, opinion or judgment. A way of thinking that is characteristic of a particular group, time period, etc. From the foregoing, it can be said that strategic thinking is the process of synthesizing and manipulating the mind with a conceived idea for the purposes of bringing an imagination to reality.

In a study by ([Areyesh and Mohammadi 2011](#)), which tried to create and establish strategic thinking and vision for managers of organizations and business enterprise in Iran, indicate that to achieve strategic thinking, managers should have multidimensional vision and thinking. It also points that managers should have proper understanding of the business environment and analyzes the internal and external factors and considers appropriate solutions to achieve the goals and perspectives of business organizations. This implies that for business ventures to function effectively, managers have to think effectively and strategically as to come up with good working ideas that could turn a business around. Similarly, ([Friedman and Gyr, 2015](#)) found that dynamic enterprise with strategic thinking will enable its workforce to deliver high performance under complex business conditions, turn chaos into strategy and strategy into action. In an effort to explore elements of strategic thinking in Islamic and Iranian firms, ([Monavvarian, 2014](#)) revealed elements of strategic thinking, such as insight and foresight, analytical ability, creativity as vital to the survival of any business venture.

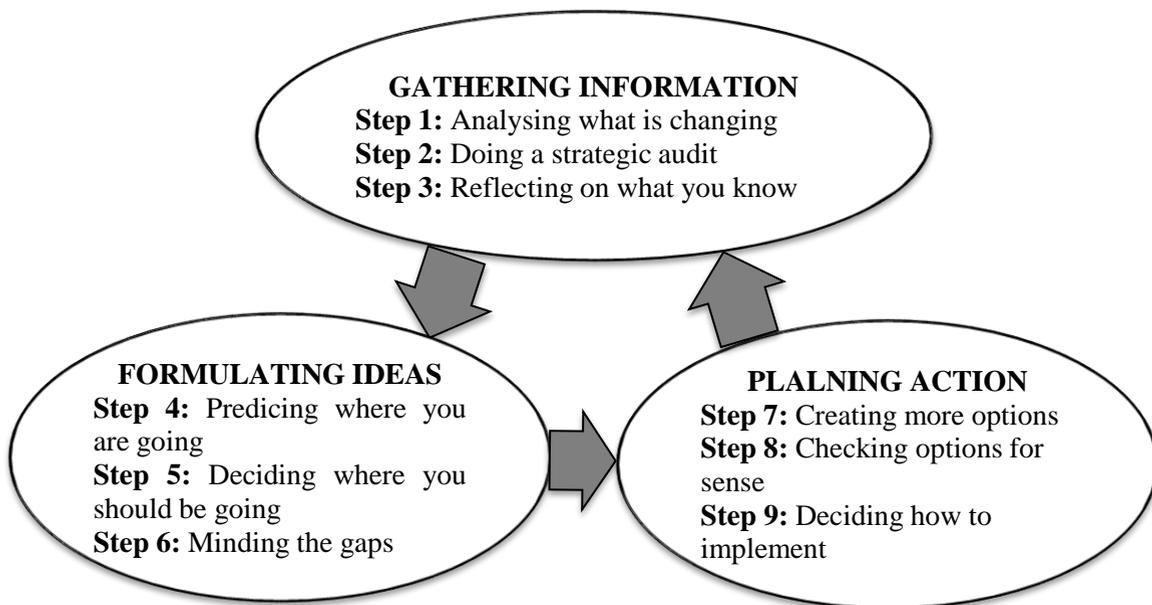
Thinking Strategically in Business Enterprise:

The live of every economy is rooted in the collected activities of business enterprises, which means that the health of business enterprise is paramount. Successful business enterprises develop and implement strategies that are designed to ensure long term success ([Onyeaghala & Ijuo, 2013](#)).

It is not enough to sustain businesses enterprises but must continue to align or correlate with the unending demand and other prevailing circumstances capable of taking the enterprise to a mutual positive end. Strategies have become more important in today's challenging and dynamic environment of global competition, where corporate strategies cross carpet boundaries of market and nations. Business enterprise must possess the capacity to see beyond now, regularly engage those visible and invisible oscillations in its terrain through carefully design approach for positive outcome, the mind and its faculty must remain at work, proactively folded in imaginations, generating and synthesizing ideas that will keep their product in competition. Hence the Improved logistics approach by Steady Growth Limited.

It appears there is no consensus among scholars on the meaning of strategic thinking; but all tend to emphasize its importance to the success of business enterprises. According to ([Areyesh and Mohammadi, 2011](#)), strategic thinking is the process of creative thinking in a business that could move that enterprise into the desired next level. It is a mental or thinking process applied by an individual in the context of achieving success in an endeavor, like a business ([Encyclopedia, 2015](#)). Simply put therefore, strategic thinking can as well be seen as a systematic approach in the process of synthesizing and manipulating the mind with a conceived idea for the purposes of bringing an imagination to a mutually beneficial reality. It answers the questions and sees what others don't see to give an enterprise the competitive edge. Strategic thinking involves looking at emerging trends, identifying whether or not they represent opportunities or threats to the organization, and developing an organizational response to take advantage of the potential opportunity or mitigate the threat. The ability to do this faster and more effectively than others gives the organization a competitive advantage ([Switzer, 2008](#)).

Furthermore, ([Wootton and Horne, 2001](#)) see strategic thinking as involving three main activities, as shown below.



The board's role in strategic thinking is to bring an outside perspective and accumulated wisdom and to test the consistency of management's thinking, while the role of senior management is to initiate the process of strategic thinking – set the agenda by posing the questions and issues. A couple of tools to assist with strategic thinking include Blue Ocean Strategy and scenario planning. Blue Ocean Strategy is the simultaneous pursuit of differentiation and low costs with the aim being not to out-perform the competition in the existing industry, but to create new market space or a 'blue ocean', thereby making the competition irrelevant. Blue Ocean Strategy provides a set of tools to create new market space. It offers a way to swim out of the red ocean filled with sharks! The strategy canvas is the central diagnostic for building a compelling Blue Ocean Strategy. Blue Ocean Strategy covers both strategy formulation and execution.

Recent strategic thought points ever more clearly towards the conclusion that the critical strategic question is not the conventional "What?", but "Why?" or "How?" Henry Mintzberg and other authors support the conclusion; and also draw a clear distinction between strategic thinking and strategic planning, another important strategic management thought process.

To (Beaufre, 1963), strategic thinking "is a mental process, at once abstract and rational, which must be capable of synthesizing both psychological and material data. The strategist must have a great capacity for both analysis and synthesis; analysis is necessary to assemble the data on which he makes his diagnosis, synthesis in order to produce from these data the diagnosis itself and the diagnosis in fact amounts to a choice between alternative courses of action.

Theoretical Framework: Decision Theory:

This paper adopts decision theory as its framework. Decision theory or theory of choice is concerned with identifying the values, uncertainties and other issues relevant in a given decision, its rationality, and the resulting optimal decision (Peterson, 2009). According to it, this theory was first coined and used in 1950 by E. L. Lehmann. Decision theory can be viewed as a theory of one person games, or a game of a single player. The focus is on preferences and the formation of abilities to manipulate traditionally ways of doing things to bring something entirely new or different. Most decision theorists argues that preferences among risky alternatives can be described by the maximization of the expected value of a numerical utility function, where utility may depend on a number of things, but in situations of interest to economists often depends on money income. Decision theory is often used in the form of decision analysis, which shows how best to acquire information before making a decision (Levine, n.d.). This theory's value lies not in a prescription for success but in how it helps us expand and discipline our thinking.

In application, it can be said that strategic thinking pervades human interaction. As children develop enough "theory of the mind" to model other people as independent decision makers, they learn to look both ways

before crossing one-way street, suggesting that they instinctively assume rationality when predicting others' decisions (Crawford, Costa-Gomes & Iriberry, 2013). This is what strategic thinking in a business enterprise entails. That is the ability to look inward, manipulate the state of mind over confronting challenge or foreseen future where you want your business to be in the nearest future. Good vision don't become reality by magic, the strategy of realizing the vision should be as important to firms or individuals as having the foresight and commitment to achieving it (Fuller & Green, 2005). Thinking strategically means consistent decisions incorporating foresight, replace trendy decisions that are often inconsistent and rarely synergistic (Moskowitz, 2012). He further posited that it is about being proactive and not active. It is pertinent to state that strategic thinking takes the ability to look into the business, spot the trend and understand the competitive landscape, see where the business needs to go and lead into that future (Watson 2015).

The essence of strategic thinking in a business enterprise like Steady Growth Nigeria Limited is to create a coherent, unifying, integrative framework for decisions especially about direction of the business and resource utilization. To do this, strategic thinking uses internal and external data, qualitative synthesis of opinions and perceptions. It centres on conscious, explicit and proactive measures, with defined competitive domain for corporate strategic advantage (Michael, n.d.). According to (Nickols, 2011), a great deal of strategic thinking should centre on developing a strategic plan and after which strategic management will be required to bring its aims to fruition. In other words, appropriate decision making on how a business can be driven into the profit making and satisfaction of the customers is the uncommon duty of a true business strategist.

METHODS AND MATERIALS:

The paper adopts survey research design. The population comprised of two hundred and sixty-three (263) staff of Steady Growth Nigeria Limited. The sample size is one hundred and fifty-eight (158), which was statistically generated using Taro Yamane formula. Data were collected through structured questionnaire. Face and content validation was carried out on the instrument. Out of the 158 questionnaires administered, one hundred and fifty two, which represents 97% response rate was returned and used for analysis. The generated data were analyzed using inferential statistical analysis. The parameters of previous performances of the company were made.

RESULTS AND DISCUSSION:

The results indicate that;

1. The firm reduced their fleet by maintaining 20 active 10 years old trucks, introduced 40 numbers of 5years old trucks and discarded the rest of the fleet. They introduced a new technology that tracks the trucks indicating their location and the condition of the truck per time.
2. Assigned 20 trucks each to a tracker that follows up with the driver and report activities to a supervisor every 3 hours. The supervisor collects and report to manager before the close of work, the manager analyzes for management review and decisions weekly.
3. Reduce staff; improve welfare and incentive packages of the existing staff. Staff member and drivers are availed with regular trainings. A regular pep talk – gang is conducted for drivers before they embark on any journey.
4. Speed limiters were installed in all the vehicles. They set up a unit charged with the responsibility of continuous research and study.

These shows that strategic thinking is essential to improved business performance. In scenario of non-essential or performing vehicles, an organization is expected to reduce and use proceeds to fix the necessary facilities that would aid ease or safe delivery. It was also observed that not until the company re-strategizes that they were able to get improved performance. The findings align with (Friedman and Gyr, 2015), that strategic thinking will enable workforce to deliver high performance under complex business conditions, turn chaos into strategy and strategy into action. Although more needs to be done, but the most important thing is that they are gradually moving in the right direction. This attest to the fact that strategic thinking sees all that other competitors may not see which give an enterprise the competitive edge. The findings have clear implications for policy and future research. It also adds to the understanding or importance of strategic thinking in a business enterprise.

RECOMMENDATIONS:

Based on the findings, the following recommendations are made;

1. Business enterprises should engage quality and innovative personnel to man strategic positions in a business.
2. Training, research and other developments should be prioritized.
3. Relevant technology should be employed to assist the business.
4. Employees should be motivated and enumerated properly to enable them exercise their opinion.

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