Practical Strategies for Business Development in Conflict and Post-Conflict Environments

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Abstract

Business development is crucial for sustained economic progress and individual well-being. This paper describes how to provide support for business development efforts in communities in conflict environments or only recently emerged from conflict environments. It uses the Cascade Approach® to provide a clear and practical framework for developing businesses that are carefully and deliberately discovered by people who are passionate about them and are capable of marshaling the requisite resources to transform ideas into exploitable value.

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There are worksheets accompanying this paper and they are available at www.Agmanager.info.

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INTRODUCTION

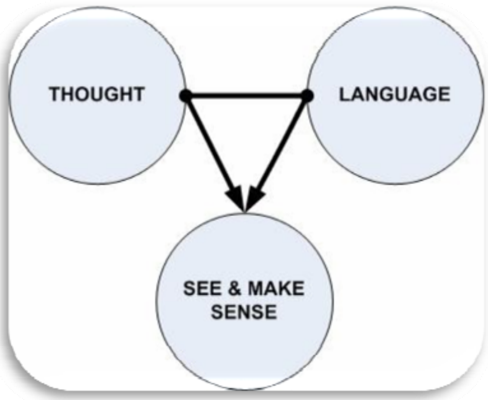
Conflicts can have adverse effects on people's decision-making capacity and influence their relationships. This is because conflicts affect the sensemaking that people bring to events and situations. Entrepreneurial actions are based on creativity. They are driven by a way of thinking and seeing that presents valuable opportunities which may be exploited for the value they present. Given that entrepreneurs in conflict and post-conflict environments can be affected immeasurably by the subtle and not-so-subtle events that define and characterize their experiences, their ability to see opportunities and assess them is frequently affected by these events. Thus, working in conflict or post-conflict environments can arduous because one has to negotiate one's own sensemaking processes as well navigate those of the people with whom one is working.

Despite these challenges, the work can be very rewarding if those working on business development in these environments can develop the right appreciation of the fundamentals of entrepreneurial business development and understanding resource availability and constraints. Their efforts can yield some positive effects if they can understand their entrepreneurs' capabilities and their capacities to overcome these constraints as well as their audacity to drive towards their defined objectives. These fruitful outcomes were observed in Japan and Europe after the Second World War, when U.S. economic support under the Marshall Plan helped leverage the inherent capabilities of Europeans and Japanese to overcome the scourge of that conflict.

Research Problem and Paper Outline

This paper is framed to guide people working with nascent entrepreneurs in conflict or post-conflict environments embark on business development initiatives. It focuses on the strategic aspects of business development—opportunity discovery and assessment, resource marshaling and execution of strategic plans. The tactical issues related to business formation and marketing of products and services are treated under a different title. Besides, the strategic issues discussed here are less culture and location-dependent than the tactical issues, allowing us to discuss them in more generic terms. The paper's overall objective, then, is to provide the strategic processes that may be used to help with business start-ups and entrepreneurial renewal in conflict and post-conflict environments.

The people in conflict and post-conflict environments are generally different from the people who offer help and support that go beyond culture. As Richard Nesbitt observed in his book *The Geography of Thought*, these differences are embedded in the way people are conditioned to "see" and interpret what they see. The tools for seeing and interpreting are thought and language. Therefore, the paper is divided into two principal parts. The first part provides the philosophical framework for enhancing our geography of thought capacity to facilitate business development. It encompasses the development of a shared *seeing* and a common language to communicate the thoughts emanating from what is seen. Following that, I make the case for clarity and completeness in the definition of the objectives or the things that the business initiative seeks to achieve. Stephen Covey defines this as "first things first" in his highly popular bestseller, *7 Habits of Highly Effective People*.



The second part of the paper uses the foregoing philosophical framework to lay out a process for embarking on entrepreneurship-driven business development. The process presented here is based on the Cascade Approach® I have developed and have been using with various organizations for the past 15 years. The process involves the crafting of a strategic direction for the business initiative—encompassing a vision, mission and core value—and the development of an operations plan to achieve the vision. We define the business' objectives within the context of specific business initiatives, developing a process for scoping for opportunities and crafting strategies for translating the selected objectives into exploitable value. The execution of the resulting plan depends on resources and this is presented and discussed in the final section of the paper.

The foundational philosophy of the strategic processes presented in this paper is the metaphor of the river's ultimate purpose: the desire to empty itself into a larger body of water. The river's commitment to this purpose is such that it cannot be stopped regardless the size and might of the obstacles in its path. It may be slowed down, but in the end, it *always* achieves its purpose. This thought is reflected by Margaret Wheatley in her book *Leadership and the New Science*. This metaphor is appealing because the river exhibits the primary characteristics of successful entrepreneurial business developers: tenacity, commitment and passion.

PART I: PHILOSOPHICAL FRAMEWORK

The Geography of Economic Thought

Many years ago, I was a graduate student in Nigeria, working on the economics of small farmer agriculture. My major professor, a respected Nigerian production economist, invited me to accompany him to a seminar at the International Institute of Tropical Agriculture (IITA) one afternoon. The seminar was on the price response of Senegalese rice farmers and was being presented by a visiting World Bank economist.

The essence of the presenter's story was that an increase in rice price led to a decrease in rice supply. He concluded from this that the African small farmer is irrational because supply should increase with price increases.

The room, filled with many of my professors, was very quiet after the visiting economist completed his presentation. I could not understand their silence because there was, obviously, something drastically wrong with the irrationality conclusion. I knew this because I have lived with some of these small farmers. But beyond my individual anecdotal evidence, my master's thesis was showing similar results—a negative supply response—but I could not believe irrationality was a reasonable explanation.[1] I think my old professor invited me because he thought the seminar will help me.

I asked the presenter what was measured as the farmers' response to price. "Did you measure production, acreage, marketed surplus or did all of these return the same sign on price?" I asked.

After a little discussion, it became obvious that the measured response variable was marketed surplus. That is, they measured how much the farmers offered for sale, and not how much they produced.

"African small farmers will sell less of their total production when price goes up and vice versa," I heard my professor say something to that effect. This is because African small farmers have a constant demand for money—just enough to meet their purchase needs (school uniforms and fees, books, salt, fish, etc. The negative sign on price was not due to irrationality of the African small farmer at all, but to the capturing of the wrong response metric to price.

Martin Brownbridge and his colleagues provide empirical support for the constant demand for money theory as well as the low rate of savings

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[1] My M.Sc. thesis research showed simultaneity between meat (broiler chicken) and egg supply and demand explained the negative sign on egg price in the supply equation. The small poultry farmers shifted from egg production to broiler production with increasing egg prices because they knew consumers substituted egg with meat when egg prices were rising.

among small African farmers in their book, *Banking in Africa*. They explain this behavior as a strategic response to government behavior, arguing that these small farmers believed that "… the government would appropriate monetary assets, as happened in Ghana and Uganda, for example, where bank deposits were confiscated and money holdings taxed respectively" (p. 43-44).

The seminar presenter's conclusion was a genuine error resulting from using North American and European lenses to explain behavior in a very remote environment that shared little in common with North America or Europe. He did not mean any malice and was technically a victim of the *geography of economic thought*. Similar errors occur frequently whenever we find ourselves in cultures different from ours and we forget that our basic assumptions about behavior do not translate completely across cultural boundaries.

Our Assumptions Are Not Necessarily Universal

Economists are frequently the butt of jokes about assumptions. But, it is important that we maintain consciousness about the assumptions we are using to interpret our environment, especially if they involve other people who may not share them.

Assumptions we make about the economic and economic behavior are so deep seated in our brains that we are frequently unaware of them. For example, the assumption of profit as the motivation for business is hardly questioned because "everybody knows that's why you start a business." But that assumption is not universal because there are people who start businesses not motivated by profit but by such things as creating a job for themselves. For these people, profit, if it comes, is purely a by-product of the freedom they sought from owning their own business. Also, when you are used to doing large deals, it is easy to lose sight of the fact that not all successful businesses are large. Success must be defined in terms of the entrepreneur's objectives.

A few years ago, I was privileged to work with an $11 million southeast Kansas company with a consistent return on sales of 0.4 percent. My job was to find a way to increase profits. Recognizing the importance of assumptions, I started by surveying all of the company's shareholders. What I discovered was that their investment objective was not stock price appreciation, but to have a company in their small community that provided them with the services they needed. That was very insightful.

As a consulting advisor to management at Family Tradition Foods, a family-owned vegetable processing company in Southwestern Ontario, Canada, I sat in awe of a young, dedicated and hardworking employee who turned down a promotion—with more money and power—to be a supervisor. “Nobody likes supervisors,” he said. “Guys don’t go out with them because they have to be a boss the next day . . .” he argued. “How much are real friends worth to you?” he asked. For this young man, a supervisor’s power and money were not enough to compensate for the risk of losing being one of the “gang”.

These two events challenged my fundamental assumptions about people. Investors invested in companies to see their stock price appreciate so they can harvest the capital gains. Every line worker aspired to be a supervisor so they can determine people’s fate after theirs had been abused incessantly by others. Yet, right here in North America, I found that my expectations about human behavior were not universally shared by people I thought should share them.

My assumptions about human behavior and expectations were purely mine. To be effective in any community, it is vital to understand the assumptions we bring and test them against the assumptions that the people in the community hold about the things we want to do. The fact that our assumptions make sense to us does not in any way imply they should make sense to everybody. But more importantly, the fact that we don’t understand other people’s assumptions does not mean they are irrational or nonsense.

Learning to change our lenses by being willing to look at the world from the perspective of those we are interacting with is a fundamental requirement for success in any relationship. This is the essence of empathy and it is important in forging deep partnerships. It is even more important when dealing with people from cultures different from ours, especially when we bear the nation’s flag and we act in some ambassadorial capacity.

When I think of empathy, I can’t help but think of Ron Howard’s movie *Apollo 13*. Towards the end of the movie, the spacecraft is stranded and the only person who can help bring the astronauts back to earth is Ken Mattingly (played by Gary Sinise), who had been bumped from the mission because he was misdiagnosed with measles. When he arrives at Mission Control, he crawls into the simulator saying, “I need the sim(ulator) cold and dark. Give me the exact same conditions they've got in there now. . .”

He was going to put himself physically, emotionally and mentally in the same state as his colleagues in order to feel what they feel, and in so doing, effectively understand their situation and help bring them home safely.

Assumptions are deep-seated and do not change easily. Only new behavior-shifting knowledge can modify our assumptions. Behavior-shifting knowledge is one that causes us to abandon truths we hold at a point in time because they engender a dissonance in our explanation of reality. Such behavior-shifting knowledge does not usually come from the outside, but comes from silent reflection resulting in a series of many small revelations that cumulatively cause the shift in sensemaking. Recognizing this is important because it saves you running the risk of trying to force change where only time can yield it.

The critical guidance for interacting to make a difference—we call this purposeful interaction—may be borrowed from the prayer attributed to St. Francis of Assisi:

> O Divine Master, grant that I may not so much seek to be . . .
> understood, as to understand; to be loved, as to love; . . .

Stephen Covey put it more succinctly, if less poetically, as the fifth habit in his *7 Habits* book: Seek first to understand and then be understood.

In the end, it is only when we can understand the unstated factors (assumptions) defining the actions of the people with whom we are interacting that we are able to define the right objectives, identify the barriers to achieving them and craft effective strategies to overcome the identified barriers and make the objectives a reality.

Establishing the Purpose for Action

Aristotle is reputed to have said that “Happiness is the meaning and the purpose of life, the whole aim and end of human existence.” Socrates suggested that to be happy was to lead a good life. These Western philosophers point to happiness as a good thing. Although how good is defined can be problematic, there is little disagreement about the importance of having the choice to be happy.

Darrin McMahon, a Florida State University historian, challenges the universality of happiness, arguing that people focused on survival cannot think about happiness. That they cannot think about happiness does not mean they do not desire it. It is perfectly reasonable to expect that people focused on survival would rank happiness at the top of their choice set, but it does mean they reject it. It is just not a priority need when they need to survive.

Therefore, there is merit in presenting happiness as a worthy ultimate objective that is an end in itself, as noted by Aristotle. But it is also necessary to be sensitive to McMahon’s argument when dealing with people emerging from crisis environments. To this end, some subtlety in language and demeanor are necessary when talking about happiness as the ultimate objective to people with different experiences. Eric Weiner, writing in *The Geography of Bliss,* notes that “the question [Are you happy] . . . Americans chew on every day . . . is not entirely appropriate in a Muslim country like Qatar" to talk about happiness" (p. 120). The same may be true in Iraq, especially given its recent history. And as aptly observed by McMahon, it may come out as apathetic telling someone who has only recently experienced a major loss to be happy without the necessary nuances embodied in the conversation.

Therefore, with the right demeanor and sensitivities, happiness as an ultimate purpose can be discussed. It is this ultimate purpose that provides the passion for behavior and drives all creativity. But when we think carefully about it, true pursuit of happiness cannot be an individual activity; it is a community activity. By its very nature, true happiness—the end of human existence—can only be secured when our neighbors are also happy. This allows happiness to be a useful purpose for people to support a business development effort. The reason for this shall become apparent soon.

As an economist, happiness is attractive to me because it is an intuitive objective of human behavior. It is a metaphor for all the good things that we desire because they are a means to this end of attaining the highest happiness. These desirables encompass family, love, health, peace of mind, and freedom. All these, once achieved, are expected to engender happiness. Hence, happiness is the desired end. And it is an end that few people can argue against from any intellectual platform.

Because of the power of the simplicity of happiness as an ultimate purpose, it provides an easy foundation to build common ultimate purposes across cultures. These support the creation of shared minds between people who, on the surface, share little on many points of contact. This is what Peter Senge called shared mental models, which provide us with the legitimacy to migrate, in our language and our thoughts, from "I" and "Them" to "Us." They provide a foundation for the construction of similarities—where we consciously search for and focus on the things that bind us together, and in so doing de-emphasize the things that separate us.

Yvonne Amanor-Boadu found this *construction of similarities* a purposeful activity among inter-ethnic couples, especially those whose external differences are overwhelming—as in a Catholic and a Protestant in Northern Ireland or inter-racial couples. With their visible differences are loud, the couples tend to consciously define the things that bind them that are frequently invisible to the world. For example, the inter-racial couple may construct their similarity around their mutual admiration for a particular author or hobby while the inter-religious couple may construct theirs at a higher level of the religion, i.e., they are both Christian, de-emphasizing the lower level differences.

Cross-cultural engagements, like the mission of U.S. soldiers and marines to help Iraqis reconstruct their nation and its economy through business development are similar to two people coming together from very different backgrounds and having to find a reason to make their differences irrelevant to their success.

Succeeding in placing the vision of business development within the context of happiness (or any other binding non-divisive ultimate purpose) will allow the Iraqi entrepreneurs and their U.S. supporters to incorporate the bigger meaning of their joint activities into their individual and shared consciousness. This makes the process of business development a more noble activity than it otherwise could be. In other words, the activity becomes *purposeful*, which the Austrian economist, Ludwig von Mises, defines as human action: “the essence of his [humans’] nature and existence, his [humans’] means of preserving his life and raising himself above the level of animals and plants.”

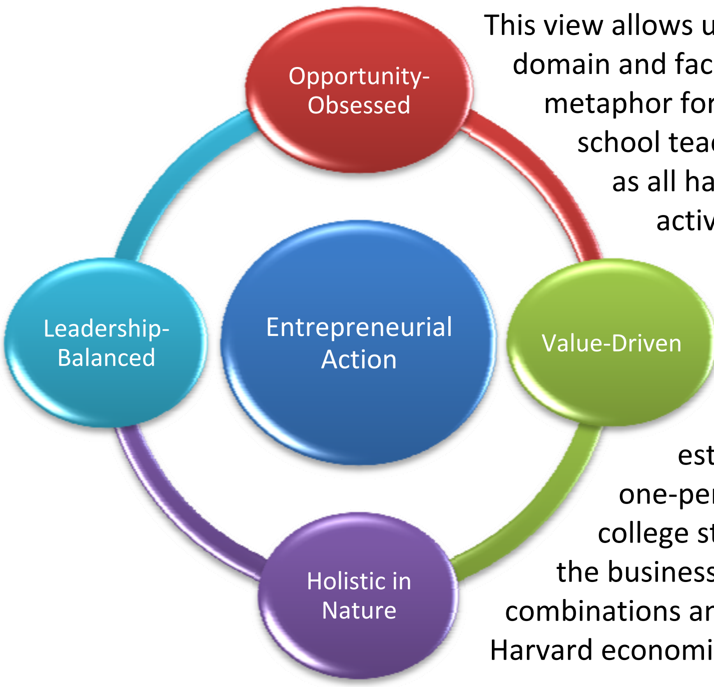
Thus far, we have said nothing about any particular business activity. We have defined the ultimate purpose of the shared actions between the U.S. supporters and the Iraqis to be big enough to be independent of any specific business initiative. This is deliberate because the business must be a means to the end of achieving this ultimate purpose. When the business activity is a means to an end, it can be adequately judged within the context of its contribution to the values that are dearly held by the business person. When the business is not anchored to a noble and credible vision, business leaders become like ships without their rudders to steer them through the turbulent waters of the marketplace, causing them to become victims of greed and unethical behaviors.

PART II: OPPORTUNITY DISCOVERY AND ASSESSMENT

Defining the Person Searching for Opportunities

I have assumed that there is an entrepreneur or business leader searching for opportunities. This assumption is necessary because the search for opportunities is predicated by a desire to transform the opportunity into and exploitable value. The exploitable value can be tangible (money, employment or power) or intangible (prestige, satisfaction or happiness). This implies that opportunity scoping is a purposeful activity that is an initial step in a series of steps to an end defined by the ultimate purpose for action.

In order to be successful in this search, it is here argued that the entrepreneur and her supporting business developer must be entrepreneurial in their outlook and behavior. Following the perspective developed by Jeffry Timmons and Stephen Spinelli, being entrepreneurial implies a way of thinking, seeing and behaving that is opportunity-obsessed, value-driven, leadership-balanced and holistic in nature. Thus, it brings both cognitive and behavioral dimensions of the business development participants together in order to focus their attention on identifying, assessing and seizing opportunities with the potential to create the highest value supporting their ultimate purpose.



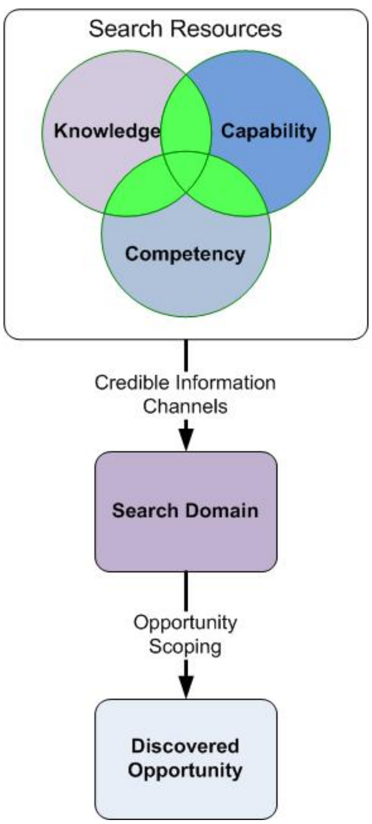
This view allows us to see the entrepreneur beyond the business domain and facilitates the use of *business* principally as a metaphor for entrepreneurship. It helps us see the grade school teacher, the platoon leader and the college student as all having the potential to be entrepreneurial in their activities. They each have the ability to identify valuable opportunities they can seize to create value for themselves and for society. This perspective, therefore, allows us to facilitate business development with those starting new businesses as well those seeking to grow established businesses. It allows us to work with one-person business owners and with a group of college students in search of the next Google. The role of the business developer, then, is to facilitate innovative combinations and recombinations of resources, as observed by Harvard economist Joseph Schumpeter.

The Conscious Search for Opportunities

Which business initiatives will make us happy? Which one will create the most value for the entrepreneur and to society? It is assumed that the initiative that creates the most value to a business' customers will also generate the highest rewards most-desired by the entrepreneur. Thus, the end-point metrics for the customer and the entrepreneur are congruent.

In searching for business opportunities, the research shows that people tend to zero in on what is familiar to them, where they believe themselves to have competence. Thus, carpenters will, generally speaking, search for opportunities in carpentry and mechanics will look at machines. Also, they will search for opportunities that utilize resources they possess or have access to. For example, landowners will look for opportunities that utilize their available land while boat owners will look for initiatives that encompass the use of boats. Yasemi Kor, Joseph Mahoney and Steven Michael developed a subjectivist theory that suggests that individuals' knowledge and available resources define their opportunity discovery and creativity processes.

I teach a two-semester sequence class on venture creation with my friend, Dr. Steve Dyer, an electrical engineer at Kansas State University. In one year, we had students from six colleges, two campuses and thirteen departments and they stretched from sophomore to PhD. The course involved students scoping for opportunities and launching a business by the end of the second semester. We hoped to test the subjectivist theory developed by Kor and his colleagues, hypothesizing that the diversity in the class would make knowledge and resource constraints irrelevant in students' opportunity scoping. But Kor and his friends are right, at least in this case . . . our students retreated to their disciplines, their capabilities and their resources. The two aviation students, for example, focused on building an airline to provide rapid mobility for small towns and rural communities while the two apparel and textile students turned their passion to fashion design, albeit using sustainable and environmentally-friendly materials and processes. So, in working with people to discover opportunities, it is helpful to be attentive to their tendency to look within a domain that encompasses their knowledge and their resources.



The foregoing implies that the entrepreneur and the business developer have the necessary information to be effective in the search for opportunities. It assumes that people know what they know and what resources they have that can support a business venture they identify. It also assumes that they know where to look for opportunities that would match their capability, i.e., their search domain. This information is not trivial, and James Fiet notes that it is indeed rare and costly to acquire. The acquisition cost of this information is high because it is generally tacit until needed, when it must be used explicitly. The entrepreneur and/or the business developer need skills that facilitate the exploration of embedded tacit knowledge they may have, of which they may not even be aware. But efficient search demands a well-defined search domain in order to minimize search costs and increase speed to launch, i.e., the time between when idea is discovered to when it is transformed into reality in a marketplace. After all, there is not value until an idea reaches the market.

The foregoing suggests that effective opportunity scoping should be limited to *credible information channels*—i.e., focus on entrepreneur's own capabilities, competences and passions and resources that exist or can be created, and in industries or domains in which they have the knowledge or significant expertise. This search method defines an active approach to opportunity scoping because it focuses on searching within known information channels. It contrasts with the inert search approach involving alertness to opportunities, as suggested by Israel Kirzner, or scanning for opportunities, as pointed out by Detelin Elenkov.

Assessment of Identified Opportunities

Not all opportunities are equal in their value creation. Therefore, entrepreneurs exhibit their value-obsession characteristic by evaluating the identified opportunities within the context of their value potential. The value potential of any opportunity is determined by its potential market size and its value contribution to target customers. The value contribution to target customers is determined by the uniqueness of the opportunity's solution from the target customers' perspective. Thus, it is important for entrepreneurs and their supporters to work diligently in defining the value proposition of their initiative *relative* to alternatives available to target customers. It is not enough for their solution to be excellent. The customer must be able to *see* its advantages over the next-best alternative.

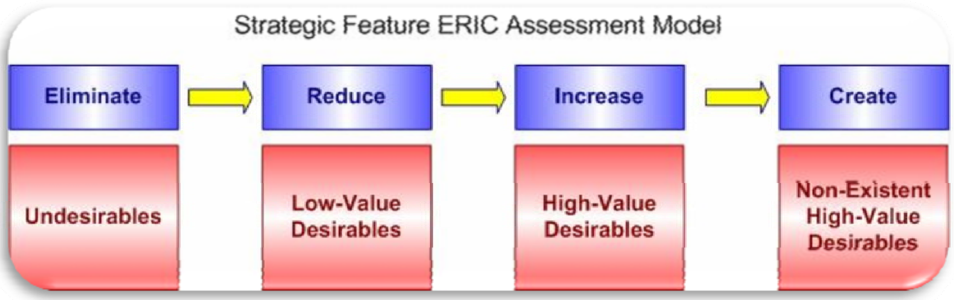
The foregoing implies that assessing alternative opportunities requires an assessment of their competitors as well. W. Chan Kim and Renee Mauborgne, in the *Blue Ocean Strategy* book, developed an excellent process for assessing selected alternatives against credible competitors by way of strategy canvases. The strategy canvas involves the identification of the factors that influence customer value determination on the horizontal axis and the scores of the entrepreneur and her competitors for each factor on the vertical axis. Because most of these factor scores are subjective, it is very important for the entrepreneur and her team to guard against hubris and over-estimation of their relative performance. The strategy canvas allows the entrepreneur and her team to identify the extent of their uniqueness in the marketplace. The closer their map is to that of competitors, the lower their relative value proposition. Additionally, if they should score less than competitors on critical determinants of value, then they do not have a compelling value proposition.

The strategy canvas becomes useful in designing the value points that differentiate the opportunity from its competitors. For example, if the entrepreneur's price is similar to the competitors' and her production cost is higher, then addressing production cost may allow for price reduction, thus creating a difference on a critical value determinant.

The strategy canvas helps in the construction of value through the elimination (E) or reduction (R) of features that customer do not value, the increase (I) of features that are valued and the creation (C) of valuable features that are currently missing from the value proposition. The Feature-ERIC Assessment Model helps the entrepreneur and her team to focus on competitive opportunities within the constraints of their relative value proposition in their identified market space. It brings both customers and competitors into the assessment process, searching

Source: Modified from Kim and Mauborgne, 2005.

for strategic options that secure a sustained competitive advantage. The Feature-ERIC Assessment Model follows the least cost strategies in its linear implementation: identification of undesirable features in the offering and eliminating them, then reducing low-value desirable features, followed by increasing existing high-value desirable features, and then engineering and creating high-value desirable features into the solution. In this way, the entrepreneur receives the highest rewards for her solution, focusing on what her competitors are offering and the needs of her customers.



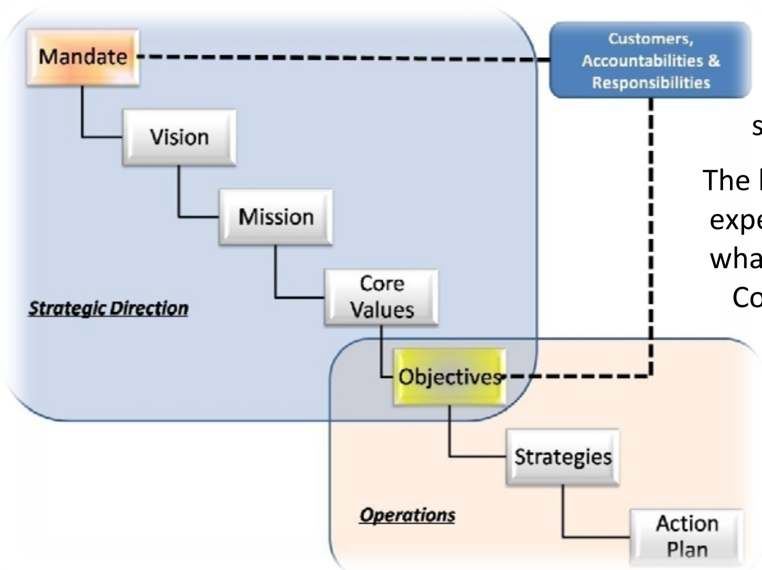
Transforming Opportunities into Exploitable Value

Assuming that the search process yields an opportunity that is deemed valuable, then the next step is to develop the business plan for transforming the ideas into exploitable value. The business plan becomes the road map for this transformation, guiding the business leaders in their value-creation quest.

There are numerous processes for developing business plans. However, I use the Cascade Approach® I developed to guide the business plan development process. The Cascade Approach® provides the strategic thinking tool for guiding the idea-to-value transformation process. This tool is effective all types of organizations (and individuals)—for small and large businesses, education institutions and government agencies as well as city governments and community organizations seeking to redefine their futures through deliberate strategic thinking and implementation.

The Cascade Approach® comprises two sections: the strategic direction section and the operations section. The results from the strategic direction section provide input for operations section. The strategic direction section begins with the creation of a collective understanding of the organization’s mandate. This involves clarifying who the organization’s “customers” are as which of their needs the identified opportunity seeks to fulfill. Defining customers and their needs concretizes the products or services that the identified opportunity seeks to bring to market within the context of its potential value to real people. If the opportunity involves supplying snow to Iceland, then its value becomes questionable. On the other hand, if it involves supplying water to a desert town, its potential value becomes almost apparent.

The vision for the business entity must be in line with the entrepreneur's ultimate purpose established earlier. Thus, attaining the business vision should directly contribute to the attainment of the entrepreneur's stated ultimate purpose, as defined in the earlier section of this paper.



The business vision describes what the owners expect the world to think of the business or what they want to be known for. Microsoft Corporation started with a vision of a "computer on every desk and in every home, running Microsoft software." The company has been very focused on this vision and is slowly moving towards judging by its share of operating systems running its Window® software and the number of people working with Microsoft Office® programs daily. The vision, then, when well-crafted, is like a mirage to which our purpose is to advance and our reality is never to reach.

The mission defines the first things that need to be accomplished if the vision is to be a reality. It is seen as the primary impediments to achieving the vision. It tends to have a shorter lifespan than the vision and is attacked more aggressively. It is also from the mission that the broad objectives emerge. Core values specify the minimum value standards that will guide decision-making, actions and behavior in the organization.

Objectives allow us to identify and define the sequential activities that together spell the successful attainment of a particular mission. To this end, objectives are always linked to the organization's mission. If the mission is to provide employment in a particular neighborhood, then the objectives supporting the mission look at a sequence of activities that when accomplished create employment.

For objectives to be useful in achieving their ends, it is necessary for them to be SMART: **SPECIFIC, MEASURABLE, ACHIEVABLE, RELEVANT** and **TIMELY**. Being specific allows an objective to have clear boundaries and metrics that show what its accomplishment entails and when it starts and ends. It also helps to define how its accomplishment supports the mission and the vision. Objectives are the transition point between strategic direction and operations in the strategic thinking process of purposefully developing a business to achieve clearly-defined outcomes.

Strategies are the combination of actions and resources that allow the organization to achieve its objectives. Thus, each objective may have its own unique strategy. The strategies defined by the entrepreneur combine to help the business achieve the value it hopes to create and extract in its selected markets. But the market conditions define the strategies that are developed.

Customers—their needs, expectations and characteristics—are fundamental determinants of strategies. For example, a different set of strategies may be necessary to meet the food and clothing needs of infants compared to the food and clothing needs of teenagers. Also, the number of customers can affect the strategies that are designed. If the business objective is to maximize its reach in a market controlled by one major retailer, then it needs to pursue a strategy that is different from an objective to delight a small group of affluent consumers who may be reached directly without any retail intermediaries. The number and size of critical suppliers to the business also influence its strategies so that it minimizes risks associated with raw material supply—e.g., availability, pricing, on-time delivery, etc. The nature, number and sizes of competitors also influence strategies because competitors define customer options, expectations and satisfaction.

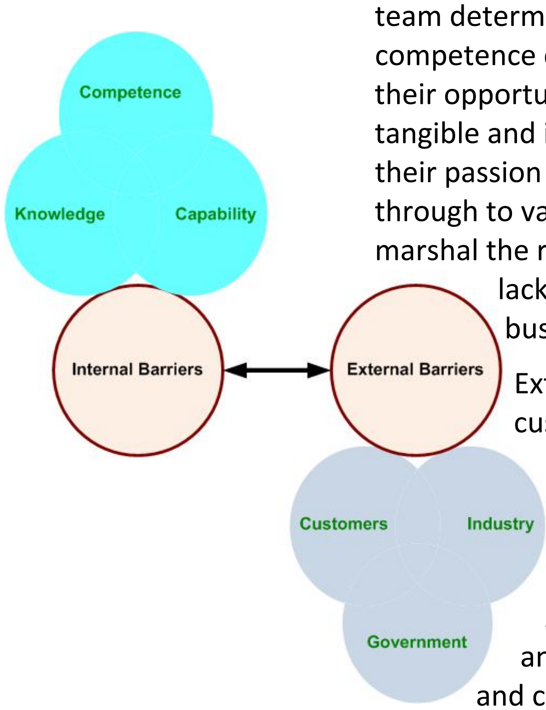
Government and quasi-government (industry associations and other regulatory bodies) frequently have regulations and rules that businesses need to follow. These can add significant costs without any clear revenue opportunities but they are usually for the public good and their effects are frequently not uniformly distributed. For example, nonlinearities in technologies can present significant cost disadvantage to small firms relative to large firms and certain laws may exempt some companies because they are small. The role of civil society and non-governmental organizations in *regulating* and influencing corporate strategy has increased significantly in the last few decades. Environmental groups like Green Peace and Friends of the Earth and animal welfare groups like People for Ethical Treatment of Animals (PETA) have been very successful in influencing corporate policies and strategies.

All these factors influence (or should be recognized in the crafting of) strategy. The overarching objective of the strategy development process is to minimize uncertainties by thinking about how different situations for customers, governments, NGOs, quasi-government organizations, suppliers, and competitors act together to affect the achievement of an objective. The analyses of these effects define the resources that may be brought to minimize adverse effects and amplify beneficial effects. They may define how existing resources are combined or recombined and highlight resource gaps that need to be filled. Filling these resources may trigger the need for the development of strategic alliances with other firms within the focus firm's industry or explore mutually-beneficial collaborative relationships with others outside its industry.

Thus, well-envisaged sets of strategies determine resources that are needed to succeed with the business. These may be classified in terms of human resources, physical resources, financial resources and organizational resources. This is the resource-based view of the firm, which is premised on the thesis that the firm's competitive advantage rests primarily in its application of its valuable resources. These ideas have their foundations in the work of Birger Wernerfelt, Richard Rumelt, Jay Barney and their followers.

Regardless of the location, there are inherent barriers to effective development of new businesses or the accelerated growth of existing ones. These barriers may be internal to the organization or external, and they are no independent of each other.

Internal barriers may be organized into three major groups: knowledge, competence and capability. The knowledge of the entrepreneur and her team determines the ideas and opportunities that are discovered. Their competence determines the effectiveness with which they transform their opportunities into extractable value. Their capability defines the tangible and intangible resources they bring to the project. It includes their passion and their commitment to seeing the transformation through to value creation and extraction. It also includes their ability to marshal the requisite strategic resources to their defined objectives. The lack of any of these would constitute an internal barrier to business development.



External barriers are classified into government, industry and customers. Government policies may inhibit some ideas from getting to market or increase the entry cost for some businesses. For example, the number of days it takes to register a business can be an impediment. The World Bank estimate of the time it takes to start a business in Iraq in 2006 was 77 days. This compares to two days in Australia and five days in the U.S. but 694 days in Suriname. Banking and credit regulations imposed by the government can also be barriers to business development as are taxes and subsidies. Subsidies that go to competitors can tilt the playing field in their favor while taxation for particular activities can reduce the activity's profitability. But these policies are frequently aimed at addressing one "good" problem and they end up creating unanticipated barriers for non-target segments of society. We include NGO barriers under government.

Industry is used as a metaphor to define competitors as well as potential collaborators. The presence of large and fierce competitors can reduce access and make it difficult for new entrants. These competitors can use their legacy and size to control distribution channels or access to raw materials. Some of them may have legislated advantages as a result of special positions they had in the past, such as their essentiality to the development of particular regions of the country. Electric power generation and similar utilities, railways, airlines, telecommunications, and oil pipelines companies are easy examples.

Customers may also be a barrier when they are committed to long-term relations and are unable or unwilling to change products or suppliers. They can be a barrier when accessing them is expensive—because they are in distant locations. This may require the business to export across international borders, creating regulatory (government) barriers, which may involve language, labeling, safety regulations, etc. It is sometimes possible to have the customers but the cost of production (internal, government or industry) is such that the solution's price is above their threshold. Finally, customers may not see the need for the product or service being supplied despite its potential to provide significant value.

It is probably obvious from the way the barriers are being presented that the primary job of the entrepreneur and her team is to craft strategies to overcome these barriers or make them irrelevant to their success. This is what strategic thinking and strategic planning is all about.

Marshaling of Strategic Resources

Jay Barney defined the characteristics of strategic resources—those that create and sustain competitive advantage—as valuable, inimitable, non-substitutable and rare in his 1991 resource-based theory of the firm. The resource is valuable because it allows its owner to out-perform competitors. It is rare because rareness is necessary for a resource to be valuable. The inimitability and non-substitutability characteristics are necessary for control over the rareness and value. If the resource can be imitated or copied easily, or if it has close and effective substitutes, then it can no longer be rare and valuable.

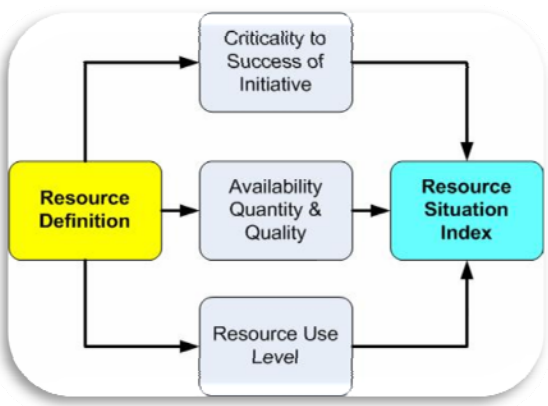
In each of the four resource classes—human, physical, financial and organization—it is critical that the entrepreneur discovers or creates something unique, inimitable, valuable and non-substitutable to give the identified opportunity a sustainable advantage once implemented.

The process of marshalling these strategic resources can be more difficult than opportunity scoping because it involves engaging others who may have control over the desired resources and negotiating terms that allow access. However, as Joseph Mahoney and Rajendran Pandian point out,

the transaction costs associated with gaining this access cannot exceed the discounted future cash flow or rents from its use. This requires cognizance of resource acquisition costs as well as the future expected cash flow that may be attributed to each resource.

While many entrepreneurs indicate that their most strategic constraint is capital—i.e., money—an assessment of effective constraints suggest that strategic human resources may be more constraining than financial resources. Frequently, marshaling the right human resources would also address the financial resources challenges and the resources that financial resources are needed for. For example, identifying the right partner with financial resources brings both money and a network of other skills and capabilities that money is needed to procure. The network effect of accessing these resources, skills and capabilities through relationships instead of in the market can elevate their commitment to the venture tremendously because relationships tend to be more enduring than transactions.

The foregoing suggests the need for a careful focus on identifying critical resource bottlenecks and filling them in domino fashion—i.e., fill the most critical resource first and leverage it in filling the next critical resource. In so doing, the capacity of the business to secure resources is augmented significantly and the effect of its weaknesses on its potential to succeed is diminished tremendously. Stephen Covey describes that as focusing on controllable factors instead of concerning oneself with factors they can do little or nothing about. As one addresses the factors they can control, those they cannot affect increasing become irrelevant.



Marshalling strategic resources begins with a map of the identified strategic resources, clearly and completely defined, and the relationships among the identified resources. The map also includes the potential sources or locations of available resources, beginning with what the entrepreneur and her team already control. It assesses each resource's availability, criticality to competitiveness, and current use level to develop a resource gap index. The index provides a snapshot of the resources the entrepreneur and her team need in order to be successful, and the resources they have excess of that they can offer someone in exchange for what they need. This tool also uses subjective measurement for the identified resources in each of the four dimensions. Therefore, it is important that different members of the team conduct the evaluation and their different perspectives discussed for factors that caused the differences, and attempts made to reconcile them.

Assigning Responsibilities

The end result of the resource situation assessment is to direct resource acquisition and allocate responsibilities for employing those resources in achieving identified objectives. By linking each objective to an individual and providing them with the requisite resources to achieve their objectives, the business positions itself to dance to success.

The responsibilities' plan may further identify resource gaps that need to be filled. For example, we may be asking certain people to do more than possible in a 24-hour day. This exhibits a human resource constraint. Or we may be asking someone to move a mountain with a toothpick. This is a physical resource constraint that may not have been anticipated in the resource situation assessment. This is why the Cascade Approach® is nonlinear but iterative and deliberate, with the sole purpose of developing the most creative and effective strategies for achieving the defined objectives.

What if the business is a one-person initiative, as are most small businesses?

The process described here does not change. In the one-person initiative, there is, technically speaking, a human resource of one, making creativity a critical internal resource for the entrepreneur. The internal capabilities will define the depth and breadth of identified opportunities and defined objectives. The resource situation assessment process will define the requisite resources needed to achieve the defined objectives. How these resources can be marshaled and leveraged without the assumption of tangible costs and other constraints becomes a creative exercise for the entrepreneur.

Like all entrepreneurs (including those with literally large teams of people around them), single human resource entrepreneurs have to think creatively about their web of relationships. They have to think about how they can present their objectives as a connected story to those of others to solicit and construct strong interconnections that help them achieve those objectives. This is a critical strategic thinking skill that is directly associated with marshaling organizational resources, and not human resources.

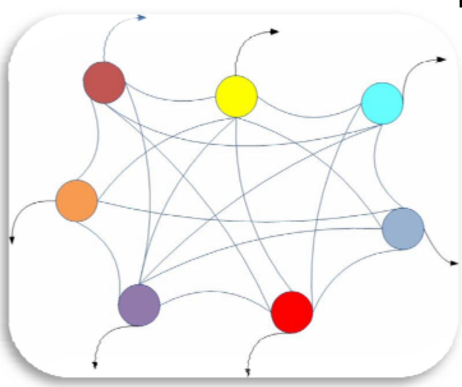
PART III: FROM STRATEGIC THINKING TO STRATEGIC ACTION

There Are No Islands

When people's ultimate objective people is as bold as we have defined it at the beginning of this conversation, i.e., to be happy, then it is not difficult for them to see happiness as a community *activity*. That is to say, it is impossible to secure and maintain one's happiness when everyone around them is unhappy. This may have triggered the British poet, John Donne, to write *Meditation 17* in his 1624 work, titled *Devotions upon Emergent Occasions*:

> *No man is an island, entire of itself; every man is a piece of the continent, a part of the main. If a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manor of thy friend's or of thine own were. Any man's death diminishes me, because I am involved in mankind; and therefore never send to know for whom the bell tolls; it tolls for thee…*

But this view of each human being part of the web of humanity is not supported by empirical data. For if "no man is an island" and "I'm involved in mankind," there will be little strife in communities and in the world in general. There will be no crisis environments.



It is, therefore, hypothesized that when people recognize that their ability to be happy is intertwined with that of those with whom they live, the probability of forming strong communities and building them together increases. In other words, strong and prosperous communities emerge only when people see themselves as embedded in a web in which they affect and are affected by what happens to everybody in the web. But the capacity to see this depends on individuals feeling responsible for their own happiness and the ability to act on it is defined by individuals feeling empowered to address their own happiness.

When intermediaries prevent direct connection between people, they lose their sense of responsibility and empowerment over their ultimate objectives, and fail to develop effective communities. These intermediaries, following Donne's line of thought, become the *continents* that engender islands.

Therefore, it is important that in building supportive environments for effective business development in conflict and post-conflict environments we take care to diminish the role of *continents* in human relationships and find ways to connect people directly to one another, help them appreciate their web of interconnections and value it as an organizational resource to overcome barriers. We have to do this one entrepreneur at a time.

Stef Wertheimer, the 83-year old Israeli entrepreneur, discovered this in his work and activities on the West Bank with Israelis and Palestinians. David Cooperrider in his preface to Tojo Thatchenkery and Carol Metzker's book, *Appreciative Intelligence*, paraphrases Wertheimer as saying *creativity and entrepreneurship together are the only things that could create conditions for lasting peace, dignified lives and eradication of strife*.

We have defined entrepreneurship as a way of seeing, thinking and behaving that is opportunity-obsessed, value-driven, holistic in nature and leadership-balanced. We have also indicated that marshaling resources is a creative endeavor on the part of the entrepreneur, allowing her to focus on what needs to be done in order to achieve the desired outcomes. The art of business development, then, becomes a community-building effort that has the potential to engender peace, build dignified lives and eradicate strife because it is founded on entrepreneurship and creativity. This perspective makes these outcomes an economic problem that can be shaped by politics and not the other way around. This is how important the work of business development can be in crisis and post-crisis environments.

Executing the Ideas

The transformation of the ideas emanating from the strategic thinking process to operations is the easiest part of the Cascade Approach® employed here. If the entrepreneur and her team have thought carefully through the business—linked the business objectives to their ultimate objective and identified the necessary resources they need to achieve each objective—then execution becomes a routine process of following the script of the strategic plan. Who does what, how, where, when and with what?

Matching people to specific objectives begins with placing each objective within the context of the whole strategic plan in a way that makes sense to all those involved. People can then see how the activities affect the business' vision and why what they do is important.

People are matched to objectives according to their strengths and capabilities. Strengths and capabilities are defined to encompass passionate commitment to particular components of the plan and inherent skills and competences that can be brought quickly and seamlessly to executing them. For example, if a person has poor communication skills, and hence, does not like talking to people, it will not be a good idea to put such a person in charge of customer relations, even this person is the business founder. The business owner should be knowledgeable enough about their capabilities and humble enough about their shortcomings to identify at the resource gap assessment stage that the organization needs someone (human resource) with communication and interpersonal skills. Such a person will have the capability to share the passion of the business' vision with both internal and external stakeholders in ways that encourage them to engage the organization and participate in its journey.

Once people know their responsibilities, their objectives becomes like a "business unit" for them. But it is a "business unit" that is interconnected with all the other "business units" in which each objective owner depends on and is depended on by others. As such, it is important to establish timelines and milestones that are nicely interconnected across objectives (a PERT chart). This way, everybody knows how their decisions and activities influence the motion towards the specified vision.

Each objective owner is also responsible for securing the requisite resources to achieve the objective. But their understanding of the overall strategic direction and resource gap situation allows each of them to appreciate the importance of sequencing resource acquisition and utilization to minimize cost and maximize value. Thus, they each approach their resource acquisition activities with an understanding of the resource needs of others in the overall plan, attempting to discover how they can optimize these decisions to enhance everyone's success probability.

Resource acquisition support must be available to all the owners of objectives. This ensures that weakness in any segment can be arrested quickly to prevent it affecting performance in other business segments.

Communication is critical to operating in the way presented here. All the "Business units" must be in constant communication with each other. The communication we are talking about is not briefs and perfunctory reports, but *conversations*, *stories*, *perspectives, reflections* and *insights* emanating from people's efforts at achieving their objectives. The lessons shared from these conversations and stories contribute to enhancing the organizational resource capacity of the business, helping people expand their individual capabilities and making their weaknesses irrelevant to their success. It is suggested that the communication among the organization's people be endless. However, a "sacred" time—because nothing, literally, is allowed to interfere with it—needs to be set aside for formal conversations so that people getting busy does not get in the way of conversing.

When everybody knows their role in the vision, what they are supposed to do and understand what everyone else is supposed to do, the organization's operations become like a dance, a well-choreographed dance. Everybody is working in concert with everybody else, and when this happens, the dance can be very beautiful.

But what if it is a one-person business?

Nothing changes. It must still be a dance, a beautiful dance. Except that for it to be interesting, it needs to be more creative. The individual business owner, must like the legendary American choreographer, Merce Cunningham, elevate her dance to an art form by seeing, thinking and acting in ways that are superbly fluid. The one-person team needs to leverage the human resource constraint by building excellent organizational resources. Whatever we lack in our march to success, let us compensate for it by leveraging what we have. Indeed, these apparent resource constraints have the potential of facilitating innovative solutions to problems that could be missed in the absence of the constraints.

There Are No Linearities, Expect Breakdowns

We do not have perfect foresight. Even if we had all the data, we are limited by our processing capacity, what Herbert Simon called bounded rationality. Therefore, no opportunity scoping exercise will be the best in hindsight. No objectives we define will look excellent when we revisit it later. The execution will not be smooth and the dance could be ugly, no matter how brilliant the choreography. But that is okay.

Business development, like all activities about the future, is not perfect. Competitors may emerge from nowhere. Government regulations may be promulgated or repealed. Suppliers may go out of business. But new and better suppliers may come too. Customer tastes and preferences may undergo spontaneous shifts. Non-governmental organizations may emerge to attack our business models or provide unflinching support. A new buzz initiative may consume the industry and lead to new rules of engagement. Partners may leave as may employees. Yes, everything is uncertain. And that is a cold fact.

By building expectations of breakdowns into the strategic plan, we also recognize the uncertainty with which we live in the business development world. This recognition allows for the development of alternative worldviews or scenarios into the strategy development process, allowing us to increase our agility and flexibility. This alternative worldviews or scenarios—because they are thought experiments—increase our reaction speeds, and facilitate our repositioning to minimize their adverse effect and maximize their beneficial effects.

CONCLUSION

The purpose for this paper was to provide a process to help those charged with providing business development support in conflict and post-conflict environments achieve their objective. We started by arguing that recognizing differences in economic thought across cultures may be helping in developing a common framework for conversation. Not all people share the business paradigms that define Western businesses. We also argued for increased awareness of our assumptions and their effects on our sensemaking to increase our capacity to see as well as improve our ability to empathize.

We walked systematically through the process of discovering and/or creating opportunities and assessing them to select the best alternative given the market environment. We used the Cascade Approach® to develop a strategic business plan to facilitate the transformation of the selected idea into exploitable value.

The final section of the paper presented a process for executing the strategic plan that was developed. It suggested dividing the objectives among people and matching people with objectives for which they have passion and capability and competence to execute. We argued that they must understand how they and their objectives fit into the overall strategy of the business and learn to converse continuously with each other to enhance their organizational resource capacity.

The process presented here works for large corporations and for one-person operations. It works for for-profit organizations and for not-for-profit organizations. It works for religious organizations and for civil organizations. The only thing shared by these different organizations is a desire to achieve a vision that is bigger that the prevailing views of the future and a willingness to make the requisite investment of time and other resources to attain the defined vision.

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