Strategic Enactment through the Exploitation of Operative Synergy

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Abstract: The achievement of profitable growth comes from pinpointing and exploiting synergistic opportunity. The purpose of this qualitative phenomenological research study was to explore opportunities for synergistic growth using a single case study of a multi-unit firm by examining how a multinational organization could exploit operative synergy to realize growth in a dynamic market. During the study twenty-one propositions were listed as theory building elements for operative synergy exploitation in a multinational. Strategic enactment is critical for timing in dealing with business opportunities in light of the fact that product and service life-cycles are decreasing. Sustainable outcomes are achievable across multiple product or service life-cycles if strategic leadership within the sequence of life-cycles is optimized to achieve revenue opportunity.

Keywords: Operative synergies; relatedness; financial synergies; market synergies; sustained corporate advantage; profitability; sustainable growth; multi-unit interdependency

INTRODUCTION TO SYNERGIES

The importance of exploiting synergies in multi-unit firms has been emphasized by researchers for decades as part of the decision-making process regarding mergers and acquisitions (Larsson & Finkelstein, 1999) and for cross-business collaboration in multi-business firms (Ansoff, 1965; Martin, 2002; Porter, 1985). The etymological roots of the word ‘synergy’ are in the Greek word ‘synergia’, or ‘together work’ (Boyd & Headen, 1978, “Synergy”, n.d.). The term is refined further by Fuller (1975) in three ways; (a) where combined action is favored over the sum of individual actions, (b) where the behavior of whole systems is unpredictable in relation to the behavior of each part, and (c) where the cooperative behavior of two or more stimuli results in a different or greater response than the sum of the individual stimuli. Ansoff (1965) is credited with bringing this concept of combined action into strategic management. He describes the effect of synergy as the effect of a whole being greater than the sum of its individual parts while understanding that there is a cost associated with combining the parts (Sourabh, n.d.). Martin and Eisenhardt (2001) further define cross-business synergies as “the value that is created and captured, over time, by the sum of the businesses relative to what it would be separately” (p. 3). Other scholars express the value added by synergies between dimensions in a business structure. A substantial contributor is cross-business unit collaboration. Most research suggests that the differences between firm performances are attributable to industry or business level effects (Rumelt, 1991); however, more recent studies have suggested substantial corporate effects (Bowman & Helfat, 2001; Roquebert, Phillips & Westfall, 1996). Furthermore, a more recent study by Anand and Byzalov (2007) suggests that cross-business synergies do exist.

Actual synergy realization typically does not equal synergy potential. The actual synergy realized is rather the difference between synergy potential and synergy realization costs, as simply illustrated in Figure 1. Critical factors in achieving synergy benefits include tacit knowledge, expertise, the presence of mature and relevant processes, a close match in products and markets, financial strength, a clearly communicated vision and strategy, a suitable reward system, leadership efficacy, and the ability to create and sustain growth momentum (Loomer & Harington, 2003). Synergy generally enables the increased application of underutilized strengths (Bellis, 2012).
OPERATIVE SYNERGIES

Managers of multi-unit businesses desperately search for synergies within their businesses. Recent studies suggest that they exist (Goold & Campbell, 1998); however, scholars have not yet established a research perspective for cross-business synergies in a multi-dimensional context typical of multinational organizations. The exploitation of operative synergies can lead to profitable corporate growth. This type of synergy has, to some extent, been generally neglected in the literature. Operative synergies represent sustained performance advantages of multi-unit firms which leverage operative resources across businesses that exhibit relatedness (Martin & Eisenhardt, 2001).

RELATEDNESS

Empirical studies typically use operative synergies for describing the impact of relatedness as described by the presence of similar activities and shared resources at various points of the value chain (Davis & Thomas, 1993). Relatedness may also exist between business-units within diversified firms (Amit & Livnat, 1988; Berger & Ofek, 1995; Christensen & Montgomery, 1981; Grant & Jammine, 1988; Lang & Stulz, 1994; Ramanujam & Varadarajan, 1989; Rumelt, 1982; Simmonds, 1990). Relatedness is sometimes referred to in the context of economies of scope (Bailey & Freidlander, 1982; Panzar & Willig, 1981). While economies of scope refer to economies around increased production of multiple products, economies of scale are related to cost economics associated with increasing the output of a single product. Scope economies often occur together with scale economies and so are often included in firm expansion discussions (Cappron, 1999; Collins & Montgomery, 2005). Operative resources that may be related are tangible and intangible resources necessary for ongoing operations that may include product knowledge, product components, and production facilities that represent production capacity. By contrast, while operative synergies benefit cost-related profitability, growth synergies substantially benefit profitability, as they occur when unique, rare, and complementary resources are combined strategically.

Resources. Functional synergies contribute to corporate advantage when resources are better utilized because they are difficult to find. In this way the organization is exploiting the agency and transaction advantages of the firm (Jackson, 2009). A ‘super-additive’ benefit occurs from a cost efficiency perspective if it is significantly less costly to combine two or more highly sought after resource combinations into one organization than it would be to use them separately (Panzar & Willig, 1981). These profitability benefits are experienced when non-imitable resources are shared to stimulate growth when an opportunity presents itself. This benefit occurs while exploiting the economic impact of underutilized resources across multiple units. While physical production has been the focus of efficiency synergies (Panzar & Willig, 1981), growth synergies may also occur in non-production activities like research and development (R&D) (Davis & Thomas, 1993; Wiessmeier, Axel, & Christoph, 2012) and may include intangible resources like best practices and brand image (Milgrom & Roberts, 1995; Montgomery & Wernerfelt, 1982; Prahalad & Hamel, 1990; Szulanski, 1993).

Market Synergies. Conglomerate power, also known as market power synergies, are profitability-based advantages of multinationals that are exploited by leveraging relatedness across businesses and market power resources (Dutta, Dutta, & Das, 2011; Martin & Eisenhardt, 2001). Market power resources include all sources the firm uses for reducing competition and increasing prices. This synergy is achieved by several means, including mutual forbearance, complementary products, reciprocal buying and selling, bundling, and predatory pricing (Bernheim & Whinston, 1990; Grant, 1998; Karnani & Wernerfelt, 1985). Predatory pricing is when a firm drives competitors out of the market by selling at below market rates and conceding profits in one or more business for enabling another business to gain revenue or market share. Short term losses for long term gain are deemed tolerable. It may also deter new competitors from entering the market. Bundling is selling the products together to extend the monopoly power of one business into another related business. Bundling may also be considered as a form of predatory pricing. Reciprocal buying and selling happens when a potential customer is a supplier to another business. The firm establishes an
advantageous buying and selling relationship to gain revenue in a supply chain. Mutual forbearance and collusion are similar. This beneficial economic situation occurs when multinationals keep prices high through regular contact with multi-market competitors. For example, a product may be ceded to a competitor with the understanding that a concession is made for another product. Or, a predatory pricing scenario for a product may be enacted by a market leader in a competitor’s market when the leader encourages a competitor to retreat from a market they recently penetrated that is dominated by the leader. Multi-unit businesses with substantial market share are at an advantage, as single-unit firms are not able to exploit these opportunities for corporate advantage. Market power synergies can contribute to corporate advantage; however, anti-trust laws and other factors may restrict opportunity exploitation (Devos, Kadapakkam & Krishnamurthy, 2009).

**Financial Synergies.** Performance advantages gained by leveraging financial resources across strong long-cycle international businesses in a multi-unit firm are financial synergies (Chatterjee, 1986). The firm’s capacity for managing risk and its means for financing are considered to be financial resources. Financial synergies are achieved by establishing an internal capital market, reducing corporate risk, creating tax advantage, and the benefits of financial economies of scale, including financial flexibility and autonomy. Stakeholders in this context may be more willing to increase financial decision-making autonomy, invest in the business, explore transaction cost-efficiency advantages, and reduce debt-financing costs. (Martin & Eisenhardt, 2001). Corporate risk is reduced by building a portfolio that improves cash flow. Stakeholders are more inclined to invest their efforts in the firm if the risk is perceived to be relatively low (Andersen, 2008; Calvello, 2013; John, Litov, & Yeung, 2008). An internal capital market produces a number of benefits including increased financial agility, lower financing costs, and more efficient, quality capital allocations due to fewer restrictions. External sources of capital do not benefit from the information available to internal managers and they may not be inclined to make capital available (Obel &vanderWeide, 1979). Further financial benefit for the diversified multi-unit business comes from reducing tax liabilities by offsetting profits in one business, or by using the losses from another. Additionally, a reduction in fixed transaction costs and fees may be experienced due to financial economies of scale (Dyer & Singh, 1998; Xiaokai, 1994).

**Corporate Synergies.** Performance advantages in a multinational enterprise are achieved when corporate management capabilities are leveraged across business units. The idea is that corporate leaders increase performance through managerial advice, thereby improving the profitability of the individual business unit in the firm. While these capabilities and the resultant positive impact may not be as frequent as desired, they are realizable with the right leadership. Bowman and Helfat (2001) hypothesize that corporate leaders generally create value in a multinational by establishing the scope of the firm, specifying corporate and business goals, generating an organizational climate, implementing corporate control mechanisms, establishing a suitable organizational structure, and correctly allocating core competencies as applicable. Hill and Jones (2007) refer to general organizational capabilities that, when transferred to corporate, increase corporate oversight efficacy. An increase in entrepreneurship, organizational design layout, and strategic capabilities are to be expected. To the extent that corporate managers are not isolated or unaware of business unit issues, they should be able to diagnose the real source of performance problems in underperforming business units and take appropriate actions for remediation. Additionally, corporate should be able to develop leaders, conduct strategic planning, provide financial control, provide international management, and promote decentralized decision making that reconciles with centralized control (Bass, 1981; Bell & Kozlowski, 2002; Grant 2005). According to Goold, Campbell, and Alexander (1994) corporate management resources may assume a ‘parent’ role that could include deciding on acquisitions, businesses support issues, and alliances with other companies. The corporate parent, depending on its ability to influence and the degree to which it is centralized, also defines the organization design, defines the budget process and capital investment process, determines the relationship between the business units and the corporate center, and sets the tone for corporate values and culture (Martin & Eisenhardt, 2001).

Corporate management synergies differ from operative synergies. They both are value based; however, corporate management synergies are mainly concerned with the value in the relationships between the corporate center and individual business units. In contrast, operative synergies focus primarily on the attributes of the connection between businesses. Corporate synergies tend to be focused on the value-relationship between skills in the corporate center and the functional and strategic fit between business units. Operative synergies tend to be focused on opportunities with similarity and complementarity along the value chain (Pankratz, 1991). While these synergies are different, they are complementary and aim to extract value from resources. Corporate synergies are likely to increase with strategic relatedness between the business units and the overall corporate portfolio. When businesses face common challenges they can benefit from meaningful corporate advice. This is referred to as ‘dominant logic’ (Prahalad & Bettis, 1986). Managerial relatedness is evident in similar size, similar time spans of capital investment, similar requirements of management skills, similar life-cycle stages in the industry, similar competitive positions within markets, and similar time horizons for targets (Grant, 2005). In some cases, corporate may have expertise in a needed skill. For example, they may provide guidance in strategic planning. They may also provide guidance related to appropriate organizational structure design, assuming they are able to effectively connect beneficial design and market need.

**Profitability.** Studies on operative synergies typically only capture benefits of economies of scope, by sharing similar or slack resources across businesses (Shaver, 2006; Panzar & Willig, 1981; Tanriverdi & Venkatraman, 2005; Williamson, 1975). Relationships among business units need not be limited to economies of scope but also must lead to value-enhanced revenue, or corporate growth (Davis &
Thomas, 1993; Mueller-Stewens & Knoll, 2006; Tanriverdi & Venkatraman, 2005) referred to as positive spillovers (Shaver, 2006). This type of corporate growth associated with the combination and transfer of complementary resources is limited as efficiency gains are not necessarily realized through sharing alone (Eisenhardt & Martin, 2000; Tanriverdi & Venkatraman, 2005). These value-enhancing opportunities, or profitable growth advantages, are created by combining complementary operative resources across businesses.

**Sustainable Growth.** Corporate initiatives are dedicated to growth synergy opportunities; however, the sustainable realization of growth synergies has received little attention in literature, despite often being identified as a goal for managers (Amit & Livnat, 1988; Bettis, 1981; Eisenhardt & Galunic, 2000; Martin, 2002; Palich, Cardinal, & Miller, 2000; Ramanujam & Varadarajan, 1989), thereby ultimately leading to unrealized value (Goold & Campbell, 1998). Specifically, research on diversification concerned with operative synergies explores the strategic rationale of related diversification (Davis & Thomas, 1993; Tanriverdi & Venkatraman, 2005), but does not reveal anything about realization. It assumes that cross-business synergies are observed in organizational constructs and that they are easily realizable when in fact they are complex and difficult to achieve. With the exception of Martin (2002), research is too empirically immature to provide adequate insight into growth synergy realization from resource combination, or the unique and timely combination of the elements of the synergies previously discussed.

Synergy realization costs include both direct and indirect costs. Direct costs could include the cost of coordination and control, while indirect costs may relate to the need for a compromise or an adaptation (Campbell & Goold, 2000). Coordination costs may be visible in costs associated with collaborative linkages between business units (Porter, 1985). This could include management time, the cost of a designated liaison, the cost of an embedded team, the cost of integrating sales forces, human resource related costs, marketing costs, moving costs, culture assimilation costs, costs of standardization, the cost of outsourcing, or costs associated with the installation and maintenance of enterprise resource planning (ERP) systems (Loomer & Harington, 2003; Zhou, 2011). Business level managers may spend a significant amount of their disposable time meeting and negotiating with other business managers for coordinating activities, problem-solving, and making decisions. Resources for exploiting opportunities may not be easy to share due to specialization, for example (Teece, 1980). Corporate costs may increase for the same reasons if escalation is needed (Hill, Hitt, & Hoskisson, 1992; Michel & Hambrick, 1992). Furthermore, corporate-level behavior may be unproductive due to self-interest. For example, disruptive technologies that self-cannibalize, or inequitable intercompany pricing, may be deliberate in the business in order to prop up a favored unit or help penetrate a new market. Corporate managers may not be capable of resolving conflict as they are not fully aware of the situation and do not have the needed operational skills for understanding the impact of a decision. They typically do not have to deal with collateral damage wherever it may occur. This may lead to less than optimal decisions, frustrating and alienating business unit managers (Goold & Campbell, 1998; Goold & Luchs, 1993; Michel & Hambrick, 1992; Vancil, 1980). Business unit managers may also be frustrated by imposed decisions and the requirement to resource share (Beer, 1964; Fleishman & Harris, 1962; Gupta & Govindarajan, 1986; Tannenbaum, 1962) or redeploy (Cappron, 1999). This overall organizational inertia introduces waste that results in additional cost and smaller profits.

**Multi-Unit Synergy.** Cross-business or cross-unit synergies were introduced by Igor Ansoff in 1965 largely in the context of alliances (Das & Teng, 2000; Harrison, Hitt, Hoskisson, & Ireland, 2001), mergers and acquisitions (Larsson & Finkelstein, 1999), and for multi-unit firms (Ansoff, 1965; Martin & Eisenhardt, 2001; Martin, 2002; Porter, 1985). Synergy in this research paper is focused on a multi-unit firm (MUF) with a multidimensional structure. The term ‘unit’, shown as L# in Figure 3, has the context of a business entity with a leader in a geographic location, generally, with profit and loss financial measurements. The business unit operates autonomously performing value chain activities. As business units provide products or services to clients that are shared, their performance is measured by a profit and loss statement and a budget. In this case study, the author is using a MUF that has a self-contained global value chain (Palmisano, 2006). Cross-unit synergies are the value that business units co-create together relative to what the value would have been separately (Martin & Eisenhardt, 2001; Wiessmeier, Axel & Christoph, 2012). As this definition focuses on value it applies to both cost reduction and revenue enhancement. It is further noted that these benefits are constrained by time to be growth synergy opportunities. While cross-unit synergies describe the value added by the corporate level, they also explain the value that is associated with collaboration between dimensions in the firm. Value is defined specifically as the net present value of the MUF including all of its business units.

**Interdependencies.** As synergies are recognized and realized, interdependencies between business units are strengthened (Porter, 1985; Prahalad & Doz, 1986; Zhou, 2011). Depending on leadership behaviors, these interdependencies can lead to the obfuscation of relevant facts, and to role ambiguity. This makes it more difficult to measure the synergistic potential. The effort needed to evaluate the businesses requires higher controlling costs, as overhead needs to manage multiple equilibria through critical decision making about joint design, joint scheduling, mutual adjustments, setting transfer pricing, and designing reward systems that encourage cooperation (Arrow, 1974; Becker & Murphy, 1992; Marshall & Radner, 1972). The burden on information systems and the volume of initial and ongoing decisions made, leads to a higher probability of decision errors (Levinthal, 1997; Sutherland, 1980). Knowledge sharing depends on the combinability of knowledge bases and active collaboration (Argyres, 1996; Henderson & Cockburn, 1994). This non-exhaustive resource across workflows and products carries the risk of contamination (Greenwood, Li, Prakash, & Deephouse, 2005).
Effort is needed to manage the ‘ripple effect’ of beneficial and non-beneficial decisions (Zhou, 2011). As more inputs are shared between the integrated businesses and as more relationships need to be adjusted, the sensitivity to the ‘ripple effect’ increases (Zhou, 2011). Furthermore, the potential for the asymmetrical distribution of benefits is frustrating. It stalls decision making and diminishes entrepreneurial energy. Synergy is instead better served by simplification to reduce waste, the liberation of workers to make creative decisions, and a healthy work experience (Rose, 1990). Moreover, interdependency may also drive the need for compromise, resulting in a less favorable outcome for one of the involved parties. The imposed compromise may result in an interdependency that diminishes the value of a product, enacts self-cannibalization, or diminishes the value of a customer (Goold & Campbell, 2002). Compromise may also reduce a business unit’s ability to be flexible (Eisenhardt & Galunic, 2000; Porter, 1985; Prahalad & Doz, 1998). Rigidity may become evident in slower adaptation to change in a dynamic market, resulting in the inability to innovate due to internal competition (Birkinshaw & Lingblat, 2001; Gulati, 1995; Peters & Waterman, 1988; Prahalad & Doz, 1987) and inefficiencies in organizational design (Sloan, 1986). Furthermore, continued strategy innovation is necessary in disruptive and high-velocity environments where structure and norms are unstable or erratic (Christensen, 1997; D’Aveni, 1994; Hamel, 2000; Markides, 1999). As a result, a typical multi-unit organization looks like Figure 2.

Figure 2 illustrates how an organization can be fragmented, broken, and incomplete. This figure shows the opportunity for lines to be complete across all of the locations, clients, and diagonal functions. For example, there are products and services that have not been developed that could be sold in a variety of markets. This would be represented by an incomplete product line. There are also clients that the case company does not have that they could if they had the right product offerings. There are market locations that the case organization in this study should be leveraging. There are support functions that are not available at all locations. Growth synergy realization would make the lattice in Figure 2 more complete and robust such that it would evolve towards a figure with continuous lines.

**QUALITY OF THE RESEARCH**

Creswell (2014) describes validity in qualitative research as being the determination of whether the findings are accurate from the standpoint of the author, the participant, and the readers of an account. In this case, language and meaning are the data. Creswell (2014), in parallel with Lincoln and Guba’s (1985) approach, offers qualitative researchers eight possible strategies for checking the accuracy of findings; triangulation, member-checking, rich descriptions, clarification of bias, the use of negative or discrepant information, prolonged time in the field, peer debriefing, and the use of an external auditor. The author selectively used these strategies to ensure data validity with a focus on triangulation, peer debriefing, and member checking.

Endogenous validity refers to the validity of established causal relationships (Yin, 1994; Lamnek, 1995) or internal logic of the research (Punch, 1998). This was achieved by establishing a clear thematic focus that guided the case selection, abstracting and comparing, conducting peer reviews of causal relationships, and by having an open and comprehensive explanation building. A thematic focus was evident in a clear definition of an overarching research theme (cross-unit synergies), a narrowing research focus (unit operative synergies), and a specific research question (the sustainable realization of growth synergies as evidence of performance) along with a compatible case selection in which the constructs of interest could be discovered. Continuous abstracting and comparing (Strauss & Corbin, 1990, 1996) occurred as the author continuously compared data sets to build higher order constructs, preliminary results to emerging data to confirm or refine results, and observed causal patterns within the existing literature. This improved the validity of causal relations (Yin, 1994). Peer reviews of causal relationships were discussed with research colleagues for the purpose of capturing and testing additional perspectives based on experience in the field. Additionally, it enabled the validation of internal consistency and theoretical relevance of the author’s arguments. The final
technique for internal validity was through open and comprehensible building of explanations and causal relationships. The results were documented in such a way that the reader could reconstruct the causal relationship (Mayring, 1996). Openly, the author indicated initial ideas, deduced assumptions, and challenged potential inconsistencies.

Exogenous validity refers to the generalizability of research results critical for robust theory development (Sutton & Straw, 1995; Weick, 1995) and depends on the research approach (Yin, 1994). Single case study empirical findings are difficult to generalize. Yin (1994) emphasizes that case studies do not allow for statistical generalization. More specifically, it is difficult to make inferences about a population based on empirical data collected in a sample. While issues of generalizability from case studies is severe (Denzin, 1989; Yin, 1994), single-case studies are recognized to be substantial from an evolutionary perspective (Stake, 1995). Single case studies can also provide new ideas and new thinking paradigms. They can help modify existing theories by exposing gaps and helping to fill them. There are several facts about this study that support the author’s conclusions that the findings and propositions will be at least somewhat generalizable. Several of the constructs can be confirmed as being present in existing literature, indicating general theoretical relevance of the research (Eisenhardt, 1989). The findings were confirmed through consultation with participants, who are operationally capable with varied experience in the industry, suggesting the potential transferability of the claims. Finally, the findings were somewhat generalizable due to the continuous comparison of similarities and differences within case items across different levels of analysis.

Reliability refers to the possibility that researchers can replicate the research activity and produce the same findings (Eisenhardt, 1989; Yin, 1994). A challenge for this replication is the attribute of qualitative research, in that it is bound to the context in which it is conducted (Lamnek, 1995), including time. Reliability in qualitative studies is best served by presenting sufficient information so that the reader can draw his/her own conclusions (Yin, 1994). The author attempted to ensure reliability through the explicit disclosure of the research design, including a detailed description of the research process, case selection criteria, interview guide, and methods for collecting and analyzing empirical data.

DATA AND ANALYSIS

The purpose of this qualitative phenomenological research study, using Moustakas, (1994) modified van Kaam method, was to explore the real-time experiences of stakeholders, or co-researchers, as they lived and influenced events occurring around them. Awareness is a transient experience. The first attempt at capturing the essence of an experience, using the van Kaam method, is the composite description, such as a relational table, such as a relational table, is a path for understanding the essence of an experience. The composite description is an intuitive and reflective integrative description of the meanings and essences of a phenomenon, of which the entire group of individuals is making sense. The participants create meaning through their awareness of the environment, reflection on their experiences, consultation with others, focused response to an enquiry, and iterative refinement to these enquiries.

CODING

Data collection was facilitated by an interview protocol with specific questions oriented in a sequenced schema. Participants were solicited as volunteers from a pool of leaders based on a willingness to share information about the transformation of the sub-division. Each volunteer co-researcher participated in the growth personally. Following each question, the participants’ response was determined to be linked to the question asked and was determined to be meaningful prior to continuing. An answer could trigger a clarifying question, or a question formed to solicit a more fulsome answer, if needed. The additional information modified the answer and once again was determined to be fulsome or not. The data was given a reference number (ex. RV313) and added then to the data sheet and coded. The first two letters refer to the person and the numbers refer to the entry from the person. Sub-code themes were also determined and grouped by code and sub-code. The data was surveyed by the author, who, due to personal experience, was able to apply an “analysis for good” (ANOG). Depending on results slight modifications were made as needed to reduce the noise in the data and ensure comprehensibility and clarity. This was accomplished by consolidating like data points and simplifying others by stripping out noise and redundancy in the answers. The data was then re-sorted and generalized through categorizing. A pivot-table was used to extract themes in the wording. The raw data was then posted in a table. In some cases, most of the themes were unique in which case a table was not used. From this data, dependencies, relationship, and the sequence of events were determined and organized into a theme relationship map. In some cases the data collected appeared as though the participant was confused about the question.
In these cases the author followed up with the participant and then added the newly acquired information to the raw data previously collected.

The raw data was collected from each participant for each data domain and sub-domain in the sequence in which it is presented in this chapter to promote a progression of thought. The data is separated into exogenous and endogenous domains as well with selected focus in both areas. In some cases, like roles, the participants offered information on themselves while commenting on data provided by their peers. Patterns that emerge in the data are presented as textural responses (what happened), structural responses (how did it happen), or composite descriptions (what the group experienced). Data responses that occurred most frequently within the theme category were given more significance and were typically mentioned first. Data was interpreted into theme patterns. These were broken into themes and then concisely into propositions, or findings of the study. Data items that referred to individuals, functions, line of business, locations, systems, or company names were obfuscated, eliminated, or given a pseudonym. The propositions, or findings, were formed and listed numerically. Within each proposition, a two-word summary was formed along with a statement that sums up the finding. For example, a central theme, norm strategy, or trigger may have emerged from the data as a result of coding. This data could then be categorized or filtered through the constructs being discussed that may include the strategic frame, horizontal strategies, or a narrowed scope as examples. This was the beginning of the theme map, or the outermost layer. The layers could then be elaborated on by breaking the outermost layer into sub-layers until it was reasonable to stop. This theme map was created to better describe the themes in the data and to show relationships and sequences between unique data items. With the methods understood, now on to the specific themes from the study as described by the findings.

**FINDINGS**

The achievement of profitable growth comes from pinpointing and exploiting synergistic opportunity (Goold & Campbell, 1998; Campbell & Goold, 2000). Clear objectives focus attention (Daft & Weick, 1984; Ocasio, 1997), while reducing ambiguity (Weick, 1995) and complexity (Collins & Porras, 1994). A strategy for growth is augmented by a culture of entrepreneurialism and a bias for action, or action tendency, which summons the needed energy to exploit a discovered opportunity. Energy may come from emotions that help people manage fundamental tasks (Lazarus, 2001). While complex team structures are highly dependent on each other for success (Stringer, 2006), a robust organizational design is a design that can thrive in a moderately dynamic market. Information from markets may cause an emotional response that creates a tendency for action (Mouilso, Glenberg, Havas, & Lindeman, 2007). This action can be summarized using several themes including: a selective focus, the strategy method, alignment, and focused action. These themes lead to an acceptable baseline performance followed by continuous improvement.

**Selective Focus.** Each stakeholder is sensitized to opportunity and therefore channels attention and concentrated resources towards the opportunities with the highest realizable profit potential (Goold & Campbell, 1998; Campbell & Goold, 2000). With this attitude, the best opportunities are sought out and brought forward. Obvious triggers for action become apparent and are expected. The evidence from this study suggests that these can be exploited to pursue sustainable corporate advantage.

**Strategy Method.** Growth strategies may include optimization across business domains. This requires an understanding of valuable sectors with common cross-business market segments. Overlapping segments present synergistic opportunities. For example, some clients may be negative contributors to profits. These clients should have the chance to grow, take on more services, agree to price increases, or be removed from the client list. These actions lead to a focused scope with the effect of making it more possible to obtain a more precise and realistic picture of the most likely profitable synergies. The case company’s strategy focuses on continuous growth synergy realization within a few selected areas for the purpose of channeling attention towards the most influential opportunities while avoiding managerial perception bias. A restricted exploration scope may lead to better discoveries and the continuous realization of corporate advantage. Collaboration and implementation energy is also focused with an optimal list of initiatives, otherwise projects are stalled or funding dissipates. The strategic method used could be broken into two parts as follows:

- **Growth strategies:** actions intended to increase revenue and profitability.
- **Market penetrators:** actions intended to break through silos that otherwise prevent growth.

The case company desires to bring a unique portfolio of products and services to its clients to solve their problems. The result is sustained corporate advantage. Market penetration strategies emerged in the data. The need for improved profitability was triggered by intense competition in saturated markets, price erosion from critical clients, changing customer requirements, and discounts associated with significant sales initiatives in order to create a unique value proposition. A strategic frame improves the selection of growth synergy initiatives while avoiding illusive opportunities that have little value potential. Clear objectives focus attention (Daft & Weick, 1984; Ocasio, 1997) and reduce ambiguity (Weick, 1995). Furthermore, focused attention can reduce complexity and create collaborative energy (Collins & Porras, 1994). This leads us to alignment.

**Alignment.** A location leader must make sure that their location is in alignment with other facilities and to the division strategic plan as a whole.

[Vertical leaders] partner with WW [product] leaders to develop strategic plans for specific product lines or services; with timeframes and measurements of improvement. The strategic plans should support the business goals of local facilities and be developed in coordination of each group and in alignment with the strategies/operations of the broader Global team. (RV9)

The raw data produced 10 themes through 17 rich data descriptions as displayed in Table 1 below. The theme map
is displayed subsequently in Figure 3. In order for a location leader to participate in the network of facilities, there has to be standardization. Standardization is a platform enabling work shifting based on collaboration and continuous improvement. This refers to the ability to know what is expected within various products and services, as well as having compatible infrastructure to perform the work so that it can be moved to the optimal location. Standardization makes it possible for location leaders to unify processes and exploit centralization. To assure the best performance, best practices need to be the standard across all facilities involved. To achieve alignment, the vision and mission of the facility needs to be compatible with the goals of the organization. The compatibility extends to workflows, as well as to exploit synergistic capacity. Furthermore, support functions need to be engaged and helpful or goal achievement is compromised.

### Table 1: Alignment Themes

| Alignment                  | Count |
|----------------------------|-------|
| Off-load methods           | 4     |
| Align with other facilities| 3     |
| Align workflows            | 2     |
| Cost allocations           | 2     |
| Capacity sharing           | 1     |
| Comply with security       | 1     |
| Conform to standards       | 1     |
| Goal alignment             | 1     |
| Strategy alignment         | 1     |
| Unified metrics            | 1     |
| **Total**                  | **17**|

The alignment theme map in Figure 3 indicates the logical sequence and the dependencies of the themes that emerged from the data. It suggests that in order for alignment to begin, there needs to be consensus on the vision, mission, and goals of the organization. These goals include an understanding of the existence of synergies, the ability to centralize or pool resources for capacity management, the enablement that comes from standardization, and the ability and willingness to share. A level of transparency in measurements and conversation allow for the discovery of synergistic opportunity. A location that does not have the capability to perform a task, may benefit by exploiting another location’s capability. This solves capacity issues that occur when order quantity exceeds local capacity or when capacity demand is low. In some cases, alignment allows for centralization of resources. This increases reliability as focus is increased on continuous work, but can be fragmented with intermittent work. Centralization also promotes standardization through capacity consolidation; however, capacity sharing is also enabled by standardization. Capacity sharing across facilities is enabled by a method to determine revenue and cost sharing, a unified approach to measurement that can be used for ratio analysis, common policies and methods based on best practices, and common workflows that are similarly secure. Gaining consensus in these areas is not easy; however, it is more difficult to attain if there is a lack of alignment around a common vision.

“[Geographic leaders] work closely with facility leaders worldwide, to establish effective load balancing and off-load methods to eliminate capacity constraints in local offices.” (RV15)  
“[I will] contribute and support the technology roadmaps and provide input on strategies with trending market developments.” (RV254)  
“[I will] cultivate a manufacturing/supply-chain paradigm to ensure consistent service levels and product offerings for [line of business] services in all worldwide regions.” (RV258)  
“[I will] work with other location leaders to drive unification, standardization, centralization, and operational efficiencies across WW locations.” (RV265)

In summary, the data suggests that alignment is relevant to the success of a multidimensional organization. The achievement of goals is not likely without consensus around a defined vision and mission. Themes that emerged from the data indicated that the ability to share in a network-based production environment is enabled by adopted norms. The norms include financial, technical, security, measurement, and workflow design norms. While having these norms is important, self-interest needs to be considered with an accurate financial allocation to P&Ls. With this
consideration, correct behaviors are encouraged. Furthermore, these norms are not applicable to growth synergy unless they are deployed across all locations and are business favorable best practices.

**Proposition 1** (network unity): Capacity is more easily shared when there is consensus on how the production network should function.

**Proposition 2** (geographic diversity): Alignment enhances profitability through the exploitation of geographically diverse but synergistic workflows based on best practice.

**Proposition 3** (mission-vision): Measurable goals must to be directionally aligned with the firm’s mission and vision.

**Focused Action.** Taking steps to significantly reduce noise in the environment aided the stakeholders in redirecting and focusing mental attention on the purpose of executing focused action (Fiol & O’Connor, 2004). Action needs to be selective and intense in an environment where the results would clearly be visible. The case organization had to be nimble to capture opportunities before competitors were able to pull them away. In order for the case firm to achieve sustained corporate advantage, it had to execute a sequence of steps for each opportunity including: the identification of opportunities, the selection or prioritization of the opportunities, and the subsequent exploitation of the opportunity. The exploitation would need to include energy optimization through prioritization, resource allocation, value creation, plan clarity, and purpose clarity. Energy is strategically allocated to accomplish tasks that optimize profitability. The strategy was directional leveraging strategic complementarity as it was focused on profitable opportunity. Four organizational themes are patterns in the data that emerge as critical roles in profitable growth including (a) the organizational leaders, (b) Finance, (c) lateral integrative mechanisms (LIMs), and (d) Corporate, as shown in Table 2 below. Each role element will be discussed individually. Theme categories within each of the four organizational categories are listed within the table. They are listed in order of frequency of occurrence.

Preexisting data was retrieved from action trackers during the timeframe around the precipitative event. The list of selected and focused actions included 325 items that were coded into 358 rich data descriptions divided into the four organizational categories mentioned above.

### Table 2: Focused Action by Category

| Themes         | Corporate | Finance | LIM | MOS | Total |
|----------------|-----------|---------|-----|-----|-------|
| Synergy        | 1         | 74      | 75  |     |       |
| Support        | 4         | 6       | 64  | 74  |       |
| System         |           | 63      |     | 63  |       |
| Savings        |           | 26      | 2   | 28  |       |
| Report         | 1         | 3       | 13  | 17  |       |
| Analysis       | 12        | 2       |     | 14  |       |
| Tracker        | 12        | 1       |     | 13  |       |
| Knowledge      | 1         | 9       | 1   | 11  |       |
| Client         | 2         | 3       | 4   | 9   |       |
| LOB            |           |         |     | 9   |       |
| Strategy       | 1         | 7       | 8   |     |       |
| Plan           | 4         | 3       |     | 7   |       |
| Assets         |           | 6       |     | 6   |       |
| Budget         | 4         |         |     | 4   |       |
| Property       | 3         |         |     | 3   |       |
| Allocation     | 2         |         |     | 2   |       |
| IP             | 2         |         |     | 2   |       |
| Policy         | 1         |         |     | 2   |       |
| Scaling        |           |         |     | 2   |       |
| Audit          | 1         |         |     | 1   |       |
| Controls       | 1         |         |     | 1   |       |
| Job Description| 1         |         |     | 1   |       |
| Metrics        | 1         |         |     | 1   |       |
| Quality        |           |         |     | 1   |       |
| Rate card      | 1         |         |     | 1   |       |

(continued)
**Organizational Action.** In a multidimensional organizational structure (MOS) typical of multinational enterprises, selective task identification is possible as local opportunities are the focus of local business unit leaders. These leaders can establish the scope of the opportunity as they are in direct contact with the prospective client. As they are local, they can give focused attention to the client in order to benefit from the discovery. The MOS achieves the local market benefit through the selection of the opportunity. MOS leaders in the know can control corporate perceptions and bias about complexity and infrastructure, as examples, around the opportunity. As local and product leaders understand the market, they can also control self-cannibalization through the opportunity selection, or even the sequence. The MOS leader can exploit the opportunity by creating local capability to meet expectations with regard to requirements, timeliness, and capacity. They need to minimize the internal and external induced inertia so that the opportunity does not disappear. The team needs to be aligned to expedite the achievement of profitable revenue streams when they present themselves.

Focused MOS-related actions are illustrated in three figures below. In the first illustration, Figure 4, focused action in the MOS includes actions in eight theme categories. The first is the use of trackers to assist with expansions. The second is actions regarding assets that include the proliferation of best practices, the improvement in utilization of assets, profitability enhancement by charging for asset-related billing line items, and the reduction of the cost of storing assets. The third is focused action related to the client. This includes a tracker that lists client actions. With the outward facing dimensions of the MOS, a rate card design can be exploited. There are also opportunities for increased profitability. The MOS dimensions are helpful in ‘horizontalizing’ best practices across locations. The line of business (LOB) dimension of the MOS experienced focused action related to consolidation of disparate organizations and the integration of new organizations into the existing structure. Within each LOB there are opportunities for performance review and cost reduction activities. In general MOS leaders pursue cost mitigations while scaling to increase revenue. Strategy is a focused action driver that included the IMC (one company) initiative, drift mitigation, exploiting locations and roles, and improving on profitability.

*Figure 4. Focused action: MOS. This figure maps MOS as a theme category into descriptive sub-groupings.*
The second illustration, Figure 5 below, shows the synergy aspect of focused action in a MOS. There were 74 rich descriptions that emerged from the data that were synergistic. Synergy enables the addition of other business units, the consolidation of business units, the expansion of existing business units, the offload to other business units, and the better utilization of existing locations, workflows, and hardware.

“[I] lead UK and European efforts of getting equipment into [system] using [location] standard to help leverage existing inventory in the region for cost reductions.” (SF283) Synergy helps with the spreading of best practices to establish performance parity. It also helps with cost reductions and overall profitability.

Focused action in the MOS includes supporting synergistic profitability. There were 64 rich data descriptions that emerged from the data as illustrated in Figure 6 below. The MOS had focused action that supported alignment. Alignment included supporting best practices, industry certifications, knowledge exchange, training materials, and strategic plans. The MOS also supports getting approvals for resources, for automation needs, for technology, systems, new roles, performance information for reviews, and accurate accounting mapping. Focused actions in the MOS occasionally involved corporate approval. Scaling was supported by the MOS as leaders put forward ideas regarding consolidations, expansions, integrations, and better utilization of resources through synergistic tasks.

“[I] outlined a plan for integrating [LOB] capabilities so they can be leveraged more effectively by US operations particularly in support of [location LOB] workflows done by [division].” (SF290) Ultimately, the goal was improved profitability through the realization of synergistic growth.

Figure 5. Focused action: MOS synergy. This figure maps MOS synergy as a theme category into descriptive sub-groupings.

Figure 6. Focused action: MOS support. This figure maps MOS support as a theme category into descriptive sub-groupings.
Performance. The table of emergent data for performance indicates that vertical leaders are driven by efficiency and growth; however, due to financial pressures, the most frequent comment related to the ability to move work where capacity was available. Of course, this is not of interest unless the performance levels are suitable. All locations needed to embrace performance excellence in order for them to be considered for the shifting of work. The result of the shifting also allows locations to accept orders of a size that exceeded their capacity. This practice would then reflect positively on their P&Ls.

‘‘[I] enlist the operational leads in assisting with cost reduction and efficiency improvement.’’ (RV146)

Vertical leaders see efficiency and cost reduction as an ongoing and critical activity. Before performance can be improved, the existing situation, through operational data, must be understood.

‘‘[I will] develop a relationship with finance to make sure [we] are reviewing and understanding the numbers.’’ (RV152)

While performance improvements are being achieved, there can be no impact to business continuity or client satisfaction. If quality performance is compromised, then expectations to achieve increased market share are at risk. Operational excellence is supported by an infrastructure and human resource that performs with consistent excellence regardless of the volume or the order cycle-time. While operational metrics are good for trend analysis, work shifting adds a level of complication due to the addition of coordination activities. Cross-training and the awareness of expectations allows for performance parity regardless of where the work is done.

‘‘[I] work closely with facility leaders worldwide, to establish effective load balancing and off-load methods to eliminate capacity constraints in local offices.’’ (RV187)

On the other hand, right-sizing reduces capacity and can be a constraint. The ability to scale and execute, including the ability to catch non-conformities prior to shipping them, allows for a labor model that is pooled and ‘‘on-demand’’. This follows a theme pattern that emerged in the data with regard to continuous improvement. The expectation is that excellence is present in all operations; however, the environment is dynamic, in that performance is continuously improving and excellence is a relative existence. Excellence includes improvements in efficiency, measurement systems, quality performance, and synergy-based streamlining. These continuous improvements enhance profitability and allow for market penetration through aggressive pricing strategies. Human resources that can manage this model are subject to career paths that are fulfilling. A total of 36 themes from 55 rich data descriptions were captured from the data as per Table 3 below.

| Performance Themes                  | Count |
|-------------------------------------|-------|
| Work shift for cost                 | 5     |
| Operational excellence              | 4     |
| P&L accountability                  | 4     |
| Metrics                             | 3     |
| Operational efficiency              | 3     |
| Consistent service levels            | 2     |
| Cost measures                       | 2     |
| Efficiency improvement               | 2     |
| High quality                        | 2     |
| Improve profitability               | 2     |
| On time delivery                    | 2     |
| Right sizing                        | 2     |
| Cost reduction                      | 2     |
| Optimize profitability              | 2     |
| Consolidate redundant functions     | 2     |
| Increase profitability              | 2     |
| Performance parity                  | 1     |
| Achieve goals                       | 1     |
| Create budgets                      | 1     |
| Develop metrics                     | 1     |
| Enhanced service                    | 1     |
| Increase efficiency                 | 1     |
| Internal servicing                  | 1     |
| Inventory management                | 1     |
| Minimize cost                       | 1     |
| Optimize quality                    | 1     |
| Optimize capacity                   | 1     |
| Promote centralization              | 1     |
| Rate card negotiation               | 1     |
| Reduce material cost                | 1     |
| Resource redeployment               | 1     |
| Resource utilization                | 1     |
| Shared allocation                   | 1     |
| Space optimization                  | 1     |
| Streamline                          | 1     |
| Work shifting for capacity          | 1     |
| Total                               | 55    |

The theme map in Figure 7 below focused on several key patterns that emerged, including profitability, execution, customer service, and improvement trends. These are all critical in a dynamic market. The data indicated that profitability drivers were the ability to allocate cost and revenue, capital investment in infrastructure, cost reductions as a norm, cost measurement capability, suitable rates in rate cards, suitable budgets, increased volume or work, the ability to relocate work, and right-sizing based on volume and complexity trends.
“[I am] responsible for [location] P&L; to improve profitability of all product lines, while leveraging global resources.” (RV23)

Success, with regard to profitability, can be seen in P&Ls, the achievement of goals, meeting client expectations, a consistent and robust product, the optimization of location capability and capacity, and minimized material costs. Performance and profitability are also related to the ability of the organization to execute.

“[I will] ensure [location] facility is a [regional] center of operational excellence for [case company].” (RV49)

This theme pattern emerged in the data as being driven by: the ability to cross-train for enhanced human resource capability, effective performance monitoring for awareness, risk mitigation, the will to pursue excellence, meaningful operational metrics, the ability to detect errors before they ship, seamless work shifting, a centralization paradigm, and the ability to redeploy resources effortlessly. Location leaders believe that with execution driven by these capabilities, measurable performance comes as it relates to quality, asset security, efficiency, on-time delivery, measurable excellence, inventory integrity, and location capacity, resource, and space utilization. Vertical co-researchers also suggested that customer satisfaction is a key theme with regard to performance. Customer satisfaction is assured through the following attributes: consistency in service levels, the conformance of product to industry and customer standards, the tendency for increased market share, and the ability to enhance products to solve customer problems. There are internal and external customers in a supply chain. Excellent performance presents the best opportunity to satisfy both, regardless of where the work is done.

“[I will] implement a manufacturing/supply-chain philosophy to ensure consistent service levels and release dates to customers.” (RV110)

A performance culture should also lead to the ability for workers and leaders to advance. If employees experience success, it should bring them personal success. This could be in the form of a career path through succession planning. With this hope, there is potential for a reduction in churn rate. A reduction in turnover cost positively influences profitability. The last aspect of performance relates to the expectation of continuous improvement in performance. This pattern was supported by themes that included continuous improvement in profitability, efficiency performance, quality and reliability improvement, the ability to synergistically exploit existing workflows, and streamlining.

“[I will] continually analyze cost structure to enable right sizing costs, staff, and material expenses and to keep costs in line with an evolving business model.” (RV313)
In summary, the data suggests that performance is critical to profitability. This is achieved through enablers that are efficiently exploited. Performance leads to customer satisfaction which in turn leads to growth. A dynamic marketplace demands that performance is not static. Rather it must improve at a suitable rate for the firm to be relevant in the marketplace. This relevance presents growth opportunities. The following propositions summarize the key findings of this section:

**Proposition 4** (balanced achievement): Profitability leads to growth when achievement effort is optimally balanced with cost performance.

**Proposition 5** (workflow execution): Workflow performance excellence can lead to increased market share when execution results are consistent with customer expectations.

**Proposition 6** (profitability enablers): Profitability enablers must be effectively executed and timely to achieve desirable outcomes.

**Proposition 7** (customer satisfaction): Consistent performance reliability that conforms to evolving client expectations creates opportunities to increase market share.

**Proposition 8** (network capacity): Profitability is enabled by network production capacity that is seamlessly guided by a propensity for excellence parity.

**Proposition 9** (performance workers): High performance workers want to achieve success in an operation that is measured, monitored, and knowledge rich.

**Continuous Improvement.** Table 4, the theme table that emerges from the data for continuous improvement, suggests that the location leader is responsible to drive the improvement process, resulting in improved performance. Efficiency improvement may be accomplished by eliminating redundant functions. The location leader drives continuous improvement with the location leaders and workers.

“[I will] look for opportunities to align workflows [and] drive the program of quality and continuous improvement.” (RV29)

This may include the recommendation of system or technology enhancements, as well as the deployment of these enhancements. Some of these enhancements may come from the corrective action process in the event that there are non-conformities. When decisions are fact based the robustness of solutions should be expected. Process or system issues may be influenced by enhancements, tools, or training. The local leader is responsible for problem resolution, the effective implementation of solutions, training, workflow robustness, and the measurement of the impact of improvements. Table 4 below lists 18 themes that emerged from 26 rich data descriptions.

| Theme                        | Count |
|------------------------------|-------|
| Improve performance          | 5     |
| Consolidate redundant functions | 2   |
| Drive continuous improvement | 2     |
| Recommend enhancements       | 2     |
| Deploy enhancements          | 2     |
| Corrective action            | 1     |
| Evolve the unit              | 1     |
| Fact based decisions         | 1     |
| Implement solutions          | 1     |
| Measure improvement          | 1     |
| Recommend tools              | 1     |
| Resolve problems             | 1     |
| Resolve system issues        | 1     |
| Training development         | 1     |
| Evolve the technology        | 1     |
| Staff Training               | 1     |
| Workflow enhancements        | 1     |
| Workflow maturity            | 1     |
| Total                        | 26    |

Figure 8 reflects the theme map for continuous improvement and indicates that corrective action and fact-based decisions drive continuous improvement. When the local leader takes the initiative to train the staff, evolve technologies used, resolve problems, and measure improvement, performance is expected to change for the better. The impact of corrective action and effective decisions may be seen as reduced redundancy, tool recommendations, the resolution of system issues, the development of training, and the recommendation of system, methods, or technology enhancements.

“[Location leaders] partner with appropriate teams to coordinate deployments and enhancements of the ERP.” (RV278)

The local leader is responsible for the deployment of these enhancements. Additionally, it is expected that the location leader implements solutions, resolves problems, measures the improvements made, and evolves the business unit into a more competitive orientation for growth.
In summary, the data suggests that continuous improvement is achieved through a fact-based and continuous corrective action process. When the local leader is able to do certain things, such as staff training, technology improvements, deal with local quality issues, and measure improvement, then it should be expected that there is workflow improvement, reduced redundancy, and resolution of system issues. The following propositions summarize the key findings of this section:

**Proposition 10** (complexity reduction): Continuous improvement is enhanced by complexity reduction concepts, such as redundancy reduction, tool deployment, and system deficiency resolution.

**Proposition 11** (robust enhancement): Performance data informs real-time and strategic decisions that lead to robust process enhancements.

**Strategy and Execution.** The strategy of the case company is driven through the discovery and execution of opportunities. Transparency is provided through the use of strategic task trackers and periodic progress reviews. To ensure that margins are improved, strategic action may include business reorientations, megatrend exploitation, portfolio-expanding innovation, customer enquiry for opportunity, talent optimization, and penetration initiatives. Storefront location managers were liberated to oversell capacity. Products/services managers had to optimize product profitability by relocating capacity. Support function leaders were able to standardize and redeploy hardware, software, and storage, and optimize the performance of systems in all locations. Sales leaders were able to exploit all opportunities for existing and new customer spends.

In summary, the data suggests that action, when selected and focused, can achieve high levels of profitability for multi-unit firms. The organization design that is described by the MOS is ideal for the discovery, prioritization, and exploitation of profitable opportunities. Financial support encourages action through measurement, monitoring, and rewarding achievement. Finance also provides analysis that supports capital investment, appropriate pricing, and profitability monitoring. LIMs add to the structure of the MOS and support profitable growth. LIMs help with the sharing of knowledge, gain across the organization, and transparency. Corporate provides strategic awareness and the gap between current reality and expectations. Corporate can also assist with reward systems that guide the right behavior. The following propositions summarize the key findings of this section:

**Proposition 12** (nimble construct): The MOS is a nimble organizational construct that can effectively exploit focused action to realize synergistic profitability.

**Proposition 13** (mutual profitability): A sequence of tasks, quickly discovered and effectively executed, can lead to mutual benefit between business units that collaborate.

**Proposition 14** (economized energy): Energy consumption, aligned to realize a local synergistic opportunity, is minimized in a MOS augmented by LIMs and supported by the corporate center.

**Proposition 15** (intrinsically aligned): A MOS is intrinsically aligned as the structure that is connected and though which tasks are shared by relevant functions needed to achieve growth synergies.

**Proposition 16** (scalable synergy): A MOS can drive synergistic focused action that, when exploited, can realize scaling that includes expansion, consolidation, and the integration of business units.

**Proposition 17** (evolving mitigation): A MOS can be leveraged to support cost mitigation through a continuously evolving organizational effectiveness that is superior to that of competitors.

**Proposition 18** (inspiring finance): Finance, as a supporting function, augments the self-interest in a MOS by promoting performance transparency and inspirational reward systems.

**Proposition 19** (monitoring mechanisms): LIMs augment the MOS’s ability to realize synergistic growth by focusing action execution through collaborative task monitoring mechanisms.

**Proposition 20** (super system): The ERP system, a significantly influential LIM, is a super-additive, as it enables scalable organizational efficacy by promoting cost effectiveness, transparency, and workflow control.

**Proposition 21** (corporate resource): The corporate center provides relevant information needed to exploit resources effectively in fulfillment of MUF strategic objectives.

**CONCLUSIONS**

The purpose of this qualitative phenomenological research study was to explore opportunities for synergistic growth using a single case study of a multi-unit firm by examining how a multinational organization could exploit operative synergy to realize growth in a dynamic market. During the study twenty-one propositions were listed as theory building elements for operative synergy exploitation in a
multinational. Strategic enactment is critical for timing in dealing with business opportunities. For example, recent studies have begun to suggest that products and services are experiencing shorter life-cycles (D’Aveni, Dagnino, & Smith, 2010). For the purpose of this study the phenomenon or object of the analysis was the precipitating event that led to permanent cross-business collaboration within the multinational. The unit of analysis on which the phenomenon was studied are the strategic and leadership elements that result in sustainable desired outcomes. Sustainable outcomes are achievable across multiple product or service life-cycles if strategic leadership within the sequence of life-cycles is optimized to achieve revenue opportunity.

CONTRIBUTIONS TO THEORY

The primary contribution of this article is new empirical insights about the impact of strategy enactment through the exploitation of operative synergy in a multinational. These results are, therefore, relevant to the achievement of sustained profitability and competitive advantage by focusing a multi-unit firm on business unit operative synergy. Twenty-one propositions were extracted from the participants instigated by a precipitated event that contribute to theory on strategic enactment in a multinational with a global supply chain. The result is outcomes that are influenced by strategic leadership. These results are described in detail and are useful for understanding the achievement of sustained corporate advantage.

LIMITATIONS AND FUTURE RESEARCH

The author attempted to develop generalizable theoretical findings based on the empirical results of a case study. Even so, this study encountered several limitations concerning theory and empirical study. The limitations were as follows:

There are some weaknesses regarding the generalizability of the findings. The single case study approach was based on approximately twenty in-depth interviews. Given that the phenomenon under investigation is novel and complex, this methodological choice seems reasonable. The research method mandates that in-depth observation is required for collecting and analyzing the resultant holistic data (Eisenhardt, 1989; Miles & Huberman, 1994; Siggelkow 2007; Yin, 1994). The choice of a phenomenological case study using a qualitative approach is affirmed; however, the generalizability of results is not exact due to the context of the case. The context is defined as a moderately dynamic environment, a large size organization with a multi-national organizational structure, and a business with a relatively low degree of relatedness within a vertically integrated value chain. Other firm-specific factors, such as company history, may influence the exactness of the generalizations. The author understands that comparative case studies within similar contexts would help better ground evolving theories.

The author anticipates that the limitations will stimulate further research as organizational performance is significantly complex and situational. These limitations are meant to stimulate further thinking. By studying the distinctive features of growth leadership, the author hopes that interest has been sparked on research aspects of strategic enactment that have not been covered in the study.

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