

The Viability Triad: Desirability, Feasibility, and Sustainability as the New Strategic Decision Imperative

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Strategic decision-making is critical to the performance of any organization. Winston Churchill described decision making in the following way, "A (person) must answer "aye" or "no" to the great questions which are put, and by that decision (s/he) must be bound."³ Non-profit organizations, private firms, and every other type of organization have managers and executives who make decisions for them; the outcomes and stakes are different from those a nation's president or prime minister may face, but they are still very important to those impacted by its decision (e.g. stakeholders). The ever changing competitive landscape, difficult to navigate stakeholder relations, inflation, budgetary limitations, and organizational morale are several examples of factors that can make organizational decision making more complex. This paper develops a framework for understanding the values involved in strategic decision making.

Desirability

Overzealousness could possibly have been to blame. Behavioral trends were certainly misdiagnosed and misunderstood. Since the 1970s, Apple has historically had enormous success in strategic decision-making. Over the decades, Apple's managers and executives have demonstrated an incredible ability to understand consumer preferences; in addition, they have also gone on to shape consumer preferences. Steve Jobs, in particular, eschewed typical market research strategies in product development. Steve Jobs' last decade at Apple was a virtual highlight reel of one success after the other in terms of new product development. Apple's managers and executives were simply much better than their competitors at doing this. However, the failure of one product, early in Apple's history can be explained through a careful analysis of completely missing the mark with respect to desirability. Apple's executives and other decision makers misunderstood and misdiagnosed the desirability of this product.

Apple's executives expected the Newton to be an instant success when it was announced in the mid 1990s. They predicted that the Newton would change consumer preferences and make the handheld computer the norm. The Newton even led to a new category label – personal digital assistant. However, by the late 1990s the Newton was completely removed from Apple's product line. Consumers preferences were not shaped in this instance and the decision making process had failed. Consumers did not see why they might need an expensive gadget that did not do the same job as well as the paper notepad. Only the very earliest adopters were interested.

In contrast, in the late 2000s, Apple's product development team produced both the iPhone and the iPad. While the iPad was originally conceived as the tool that consumers would readily adopt – a flat, touch screen computer in effect, the iPhone was launched first in 2007. A careful understanding of the consumer's preferences at the time can help explain the rapid adoption of the iPhone. Cell phone penetration rates were very high in the USA; most consumers possessed some type of cellular phone by the late 2000s. However, user interfaces, software, and content management were pain points for consumers. The market was ripe for a carefully designed software-hardware integrated device such as the iPhone. Customers were ready to have handheld computers with them all the time.

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³Langworth, R. (2011). Churchill by himself: The definitive collection of quotations. PublicAffairs.

Apple took advantage of the decade's old trend of cellular phone usage while completely predicting changing desirability at the right exact time. In addition, the iPod and iTunes store had revolutionized portable music consumption. The marriage of the iPod and the cellular phone was right in line with behavioral patterns of consumers. Apple's decision makers almost perfectly balanced. One thing they failed to adopt in the original launch was the App Store but they quickly course corrected shortly after launch as jail breaking became more common. Apple was rewarded with the highest market capitalization in history.

A similar effect takes place in other organizations across the industry spectrum including non-profit industries such as higher education. Decision makers must base decisions in current consumer behavior and trends. Otherwise resources and investments will likely be diluted; in addition, products, services and other offerings become too complex for average consumers. Decision makers may be stuck in the rut of using or promoting already past their prime business models, products, and services. Decision makers must take into account the answers to the following questions:

Great Question #1: Will it be valued?

- Is it cognizant of current behavioral trends?
- Will there be recurring demand? If not,
- Can it be differentiated, command a premium price and be depended on?

Feasibility

Envisioning new horizons (and the necessary risk this entails) is different from committing resources to infeasible pursuits. The feasibility question is asked in an attempt to determine if the desired goal is possible from a technical perspective?; is it possible using realistically available and accessible resources? Third, can the outcome be achieved within a pre-determined period of time. If the outcome is outside these parameters it should be considered less feasible.

One can learn much about feasibility from The University of California's (a public university) all digital online campus. In 2016, the state of California was in a severe budgetary crisis. The tax dollar-supported university system, utilizing precious public funds, had wasted approximately \$10M in an effort that barely produced a return. The university system had high hopes of creating Massive Open Online Courses. It imagined attracting new students to the university system to help rapidly declining revenues. The initiative did attract some students but not nearly to the degree that decision makers had envisioned. The costs of the offerings far outweighed what could be charged; and few non-University of California students enrolled. This created new budgetary burdens for the university already in fiscal crisis. Decision makers had badly misjudged demand and mis-timed their offering. This incurred an enormous financial loss for the university system.

Ideally, the steps to determining feasibility progress as follows: opportunity identification, validation of the opportunity, development of the offering, scaling for profitability, and then ongoing improvement through a feedback loop. When feasibility is not determined or properly judged the opposite occurs. Decision makers face ugly choices and endure a pattern of emotions including: initial euphoria, the beginning stages of concern, outright panic, resentment and disillusionment, and then blame. Realistically projecting the potential for each of these possibilities beforehand is key to feasibility analysis. If decision makers are to properly gauge feasibility they must first truly validate a potential offering; they must do this before they commit limited resources that might be more profitable utilized elsewhere.

Great Question #2: Can it be done?

- Is the offering achievable from a technical perspective?
- Are resources available?
- How realistic is adoption?

Sustainability

Arthur Conan Doyle's Sherlock Holmes statement to Dr. Watson "You see, but you don't observe" provides amazing insight into sustainability. Identifying an opportunity and determining that it is likely to be feasible are not sufficient conditions for sustainability and viability. Decision makers must have a clear judgment as to the true viability of an opportunity or idea.

High performing organizations such as Unilever, Toyota, Du Pont, GE, Patagonia, Johnson & Johnson, Henkel, IKEA, P&G are successful in part because they have consistently determined that sustainability is a core aspect of their strategy. This is true for at least two reasons. First, decision makers have successfully observed that sustainable efficiency and productivity are the goals rather than simply reducing costs; increased productivity results in higher profit margins, processes that are embedded in the organization's core, and higher barriers to entry; in addition, this is more socially responsible. Second, there is an additional impact throughout the entire supply and value chain; setting an example does matter.

Great Question #3: Should it be done?

- Will it result in sustainable profit?
- Can it be repeated and is it responsible?
- How hard is it to copy?

Clarity, Despite Complexity

Another way of conceiving of viability is: Is it *likely* to succeed and for the long term? Because of a constantly changing competitive and economic environment, decision makers must honestly consider this question. They must continue to innovate but be realistic in the process. They must innovate *well*. Despite much weakness, Churchill was on point when he explained the demand for leaders to not trifle only with small matters but to consider the *great questions*. The answers to the following three questions clarify the process:

- Desirability / Will it be valued?
- Feasibility / Can it be done?
- Sustainability /should it be done?

Answering "aye" to all of the above is much more likely to result in outcomes which decision makers and other stakeholders truly require.

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