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STRATEGIC RESILIENCE AND COMPETING EDGE: THE MANAGEMENT OF EXPLORING BEYOND VULNERABILITIES

God'swill Chinonso Opurum[1]*

*Corresponding Author: **God'swill Chinonso Opurum** ✉ guva4all@yahoo.com

Theoretical idea in abstract: As risk is almost part of everything, corporate performance is not an exemption. Even the fortune companies with best management team and financial performance, at various times face disruption either from natural cause or from intense competition, which leads to profit and market share heavy decline. With replication and imitation constantly growing towards offering better services, invention is no longer enough to complement innovation. Because survival is now a matter of the fittest, organizations' who wish to survive in this prevailing market shocks must ensure that their core competing strength has an aligned resilience strategy were coping with change is a ritual. Although many works has emerged to support the role of resilience in business performance, crisis management and corporate reputation, their gap on common resilience principles still exist. Many firms might intend to adopt resilience in their management system but fail due to a narrow insight as to what really makes these resilient firms so successful. To resolve these puzzle that has kept many business leaders in the dark, this article brought resilience and its imperative closer, through its conclusion on "LAS": an acronym for Learning, Adaptive capacity and Situational leadership. As the findings unveils, learning process gives a better insight towards changes in an organization of which adaptive value becomes imperative towards managing resistance in the face of changes, thus, the need for a situational leader becomes essential. Theoretical idea in abstract practice: Resilience is imperative in performance. Through the three acronyms many businesses has continued to improve their performance. From LAS, resilient brands like Coca-cola are moving from sugar-carbonated cola drinks to Zero sugar carbonated market offer. Another example in practice is Toyota and their supplier improvement after the 2011 tsunami in Japan. As they learned about their supply chain and its weakness, the situation led to a different management decision, which resulted to a supply chain with less vulnerability. Other corporate evidence of LAS found in performance includes Ryan air, Southwest, Easy jet, IKEA, Nokia and Dell, as theyindividually moved their markets from generic services to resilience strategic service.

Keywords: Risk, Resilience, LAS, Survival, Vulnerabilities, Strategy and performance

[1] University of Greenwich, United Kingdom.

As replication grows higher, the disrupters are becoming the disrupted.

Each day the business environment becomes complex, volatile and risky. In the midst of these vulnerabilities, competition grows intense, causing erratic earnings and a proliferating slump in performance. Industrial giants that have continually enjoyed larger market shares, excessive profits margins and entry barrier threats are now drifting from been great performers to merely average competitors. Managers once celebrated, are now under constant pressure from shareholders towards improving performance. Employees like Laiki bank staffs, who once enjoyed working for such a financial corporation; with motives of higher job security, are now at the look for alternative job, as the bank goes under.

As business volatility is proliferating, experts as Mayer and Davis argue that this business volatility has lead to a decrease in the tenure of over 300 Fortune company's CEO (Mayer and Davis, 2004). Even as this result escalates, what most market leaders who fails to understand this new economy do not assimilate is that blindly cutting cost, limiting delegations and streamlining operations do not guarantee operational effectiveness; but disrupt corporate values. Scholars like Edward Deming described such management style as indirect cause of reduced quality, performance and returns (Deming, 1986).

From what we see today, it is obvious that what previously guaranteed competitive edge is now a mere factor or a first mover benefit open to imitation and improvement. As replication grows higher, the disrupters are becoming the disrupted. To Joseph Schumpeter (1934) is nothing more than a healthy competition, which intends to foster innovations by utilizing corporate negligence as corporate threats. Thus, placing corporate resources at a knife's-edge with option of either die or adapt to changes which service consumers in ways that are more meaningful.

However, as Schumpeter's knife-edge resource, called creative destruction has continually move markets and competition beyond bewilderment. The story of Nokia and Apple outperforming Motorola – a once global mobile giant is no longer a surprise. Likewise the advent of internet and social networks becoming threat to telecommunication industries, of which Skype, Google and Wikipedia has preferably serviced in order to displace digital calls and Encyclopedia. In addition, It is that changing perceptive value by consumers' for Eco-friendly cars that are of good quality and cheap that has made Toyota not just a market leader in automobiles, but a resilient company at the edge of consumers' needs and market demands (OICA, 2012).

As the business case goes to further demonstrate the role of resilience in performance, many airline companies, who previously enjoyed oligopoly and entry barrier threats, are now having difficulties in maintaining an average of their market shares as Ryan air, Southwest, Easy jet and Virgin Atlantic Airlines are penetrating the market and optimizing sales beyond generic service. Also, found in households is IKEA, a household giant that serves consumers with cheap and stylish furniture. All these and countless success stories of other corporation like FedEx, UPS, Marriot hotels, EBay, Amazon, Netflix, and Dell, shows the role of resilience in market competition and disruption (Christensen,1997; Porter,1996; Hamel and Välikangas, 2003; Hamel, 2006; Hamel and Gete, 2004).

However, since strategy is the tactical business position in the market (Porter, 1996), organizations that strive to survive must understand that market leaders are firms who define their own strategies in the face of crises and setbacks, which arise from either natural cause or intense competition. The firms' that out-perform their rivals Porter (1996; 1985) described them as firms' with differentiated strategies that they can preserve. Even though it might be open for replication, as most competitive advantage are temporary: in their quest for survival, they look beyond their vulnerabilities, by mapping out their own tactical strategy on operational effectiveness, which seeks improvement on productivity and efficiency (Porter, 1996; Hamel and Välikangas, 2003).

Call it resilience, flexibility, agility, change management or contingences. The key imperative is that these corporations understand the role of enhanced immune system towards vulnerability, as well as ways of bouncing back to operation quickly than expected. It is this knowledge on dynamics and quick responding strategies towards improving the business model in the events of shock from disruption that makes them not just resilient but also competitive (Hamel and Välikangas, 2003). However, it is this principle of resilience, which covers Leadership, Analytics, Anticipation and Risk mitigation; against strategic decay that this article intends to review, in order to see their role in organizational performance and coping ability in shocks that arise from disruptive changes- like fierce competition or natural disaster.

The survival strategy of an organizations' should not be monumental but multifunctional with current changes.

UNDERSTANDING RESILIENCY

Since this article intends to look deeper on the principles of resilience in corporate performance, and business disruptions. Thus, a review on other literatures becomes essential. From the Merriam-Webster Online Dictionary, "*resilience is the ability to adjust or recover from change and misfortune"*. Towards business and corporate management, many corporate bodies have defined resilience in different forms. The 2003 World Economic Forum on building resilience in supply chain defined it as the ability to maintain supply close to normal potentials aftermath of disruption. As a business strategy, Hamel and Välikangas (2003) defined resilience as the dynamics that prevents businesses from falling into decline; this ensures that chances of crises reoccurrence never comes. As a reputation and shareholders' value issue, Knight and Deborah (1996) defined resilience as a manager's speed in responding to disruptions in order to protect investments and share prices from further decay. As a guide and high-level security, PWC defines it as a corporate DNA that protects the immune system of corporations against shocks and hazards. However, from all the definitions cited and many more, the key to most organizational resilience has remained their strategic abilities to anticipate changes through reactive and proactive measures that manage risk and major threats (Sutcliffe andVogus, 2003).

As innovation and awareness are the fuel to market growth (Hamel and Gete, 2004); the survival strategy of organizations should not be monumental but multifunctional with current changes. Corporation and entrepreneurs who are successful and constantly abreast on market dynamics describes strategic awareness as the tenacity to continue in the face of difficulties (Barringer and Ireland, 2010). For corporate leaders as PWC's Marco Amitrano, organizations' that wishes to survive in this present volatile environment must understand that value goes beyond luck. Such realistic evaluation from an expert makes corporate success a matter of organizational commitment towards continuous market retention.

To corporations' who say when the time comes, the true question should be when the time comes, how prepared are we to meet its outcomes. Are we to be reactive from the change that took us unawares, claiming market shares and causing colossal profit slumps: as Howard Packard lost 32% of her sales to optimist speculation of market growth after recession? or be proactive, in order to handle the shock quickly, by using analytic measures that evaluates disruption as opportunity to increase market shares: like Dell lower pricing strategy for weathering the recession storm that slightly affected their sales by just 2% decrease, only to increase it as the economy rebounded. Whichever way it appears, organizations' must understand that setbacks are not just out there to prevent their business from existing; instead, they exist in order to open the brighter windows of opportunity.

As strategy is longer static, but bound to quick adaptation of current trends. Organization who fails to plan and delays to turn around might suffer tragedy in their profit and market share. Such tragic disruption is what Hamel and Valikangas (2003) described as tragic transformation, which means vulnerabilities poorly managed by an organization, thus, providing a competitor an opportunity to offer improved service before the parent firm realizes their weakness.

Motorola Iridium: when invention is not enough

Earlier in the 90's mobile phones were so huge that people were discouraged to carry them around. Many people left them behind in the car as their sizes could not fit into handbags and pockets. Another problem it had was terrible reception, as it works only in the main city.

To confront these challenges, Motorola had the answer in their new business plan *(learning)*. The idea of the business plan was to build a global network satellite station that will connect anybody anywhere. They knew this move would improve mobile coverage and enhance competitive edge since no other mobile company was ahead with such innovation (*competing edge*). The idea gave birth to Iridium phone, which was an eight years innovation plan, costing over $5.2 billion dollars. However, Motorola was disappointed as their golden product, made of complex first mover technological business plan ousted out from the market within few years of operation (*poor situational management*). In the business plan, the company had estimated subscribers' market to exceed 40 million but to their greatest disappointment, at the peak of Iridium, it only had around 35,000 subscribers. To the management team of Iridium the big question was "what went wrong".

The Motorola Iridium phone served its purpose of network coverage properly, the only problem that led to its devastating lost was their eight years old business plan that faced change (*poor adaptive capacity*) and was considered obsolete; as the threat of time interval gave other competitors opportunity to produce more sizable mobiles with same coverage end cheaper calling cost. Whichever way they saw it, such business plan of 1990 could not have been in 1998 without the eight years gap giving room for other entries and opportunities (*resistance to adaptation*). Before iridium launched, the market perception had changed, as People considered such technology obsolete: because of its size and cost. The sad part of such an invention that could have been an ever-competing edge in mobile innovation market is its failure to align speed and agility as follow up to its invention. If only the leadership team that manufactured Motorola Iridium were plausible, adaptive and situational, perhaps it would have been in market as a global leader because of its core anticipative capability.

This case was originally prepared by Duncan Bannatyne. The 43 mistakes businesses make, Page 92.

MAPPING VULNERABILITIES

Since risk is part of everything including business operations. A proper review on some generic causes of market disruption and poor organizational performance becomes essential. In management, some frameworks for evaluating operational risk include the competitive forces, PESTLE and SWOT analyses (Mintzberg, 1994; Iansiti and Levien, 2004; Porter, 1985). Experts as Gerry, Scholes and Whittington, argue in their 2008 *"Exploring corporate strategy"*, that PESTLE and SWOT analysis are macro environmental frameworks which guides firms' on constructing and managing plausible scenarios against change. Corporations' that are persistent to succeed must understand the need for strategies that evaluates their business model against disruptive changes. By SWOT analysis, the strategy should have the ability to display major strengths and opportunities as well as corporate vulnerabilities arising from competition and unforeseen circumstances (Porter, 1996; Hamel and Valikangas, 2003).

As PESTLE stand for political, economic, social, technological, legal and environmental factors of operation. For better understanding, we will consider each of following disruptive factors individually in order to evaluate their role in creating business disruption. Firms' by analyzing these frameworks should know their interdependencies, as what affects one framework meets the other the framework. Think of the 2011 Tsunami in Japan, when the automobile industry was hit; many employees became redundant. As export decreased, government earnings through tax reduced. This affected government spending and job creation thereby forcing purchasing power and exchange rates to weaken.

In Political disruption, government is the major factor by enacting laws. Most times, in order to enhance security, decrease unemployment and encouraging fair competition, the government might set legal policies that affect the performance of most businesses. Firms' that are not prepared for such disruption, often find themselves in the middle of deep blue sea. A good example is the Nigeria and Alaska spills, which caused Shell and British Petroleum huge fines respectively for their poor environmental concerns, alongside reputation. Other forms of political risk include terrorism like the 9-11 in US, Wars; like the Israeli war that lead to the Arab embargo on oil exportation to US.

Economic disruption: As mentioned earlier, most economic disruption occurs from economic growth and inflation rate. However, its major factor towards business performance is the exchange rate fluctuations. When the economy is stable, the business tends to flourish. An example is the global recession. For corporations as Dell, it was the best time of been in business; for others like Howard Packard, it was a bad time that claimed almost 32% percent market profit.

Social disruption: In such disruptions, firms' looks at plausible scenarios that often occur in various forms like demographics, age and styles. In Technological factors, innovation is the key because new technologies makes the existing ones obsolete (see Motorola Iridium case study). Again, are the legal factors, which increase the chances of corporations' facing litigation; proper example includes Sarbanes-Oxley act of Enron corporate scandal, BP and Shell oil spill as cited above, the lethal case of Virgin athletic and British Airways, Apple and Samsung right infringement, etc. Lastly, is the environmental disruption, which includes earthquakes, tsunamis and campaigns on sustainable environment. Corporations who fail to embed this factors in their operations will find their operational activities swept away by the forces acting against inertia.

IMPROVING FOR CONTINUITY

Having described the major threats of business disruptions, since this article intends to give a better insight as to why resilient companies are so successful; thus, revealing what resilient corporations has in common becomes essential. Organizations, who dream of survival must understand that value lies in the entire business process: from the board room to the front-line office. Until the entire process is in alignment with "LAS", an acronym of Learning process, Adaptive capacity and Situational leadership are the basics of survival, which is resilience.

Learning and Analytic principles: As early as the time of Thomas Edison and inventions, the learning process has remained effective. From the learning of Keynesian principles to the classical theory of Milton Friedman, many countries had to become resilient in the face of 1920 great depression (Teidi, 2003). In 1934, Schumpeter describes learning as a process that destroys old ideas by improving them in order to offer better ones. As learning is essential in almost every success achieved; including quality maintenance and specialization, which constitutes what is today's assembly line by many production units that improves values both in quality and quantity. Thus, firms who dream of been successful must understand that the road to resilience starts with the learning process and shared knowledge; as they enhance performance through continuous communication of market awareness and risk mitigating strategies. It is that value and quest for survival through awareness and communication that Gerry *et al.* (2008), cited as the continuous regeneration of knowledge, skills and experience in order to evaluate the future against internal and external shocks that arise from either act of god or intense competition. Organizations, who wish to stay competitive, must ensure that their business model and competing strategies are in alignment with market changes. Hamel and Välikangas (2003) perceived such market awareness as cognitive challenges.

Learning organizations are so successful not because they have large shareholders wealth, but for the fact that they are able to understand a market, that offers strategic opportunity for future improvement. Successful firms like Mexican Cemax a company specialized in the manufacturing of cement are highly perceptive of learning process in its creation of values. As most of the innovations are from their employees brainstormed ideas. Experts as Quinn, Gerry, Scholes and Whittington, are optimistic about learning process in adding value through a logic incrementalism. This means values are experimented in order to review their impact towards corporate performance (Gerry *et al.*, 2008). Others like Michael Porter describes learning process as distinctive capabilities that lead to strategic tradeoffs: meaning that firms' are perceptive of strategy, as it is the key imperative towards uniqueness in generic activities (Porter, 1996). The interesting thing is that this convincible uniqueness defined by Porter has sealed the fate of many organizations like Amazon, EBay, IKEA, Easy jet, Southwest Airlines and many more that has serviced their industries by providing unique service.

Since learning principle is a tool utilized by resilient organizations, a review on the discrete activities that makes a firm a learning organization remains essential. In learning organizations, two discrete functions that define them are analytics and knowledge management. Their integration for synergy makes it difficult for the first to function effectively without the later. Through analytics, firms are constantly seeking for ways of improving performance. This limits the chances of disruption through communication which is an essential form of spreading information against negativity and change resistance. As the chances of disruptions are plausible scenarios, when the red alert is communicated to the management team, they ensure that the information is disseminated across other departments. Thereby making the firm a knowledge organization that is ready to accept change as it comes.

As core capabilities are often rooted in corporate values and processes, capital investment from shareholders are no longer enough; firms that are eager to stay competitive, must ensure that their analytic and knowledge management skills are in alignment with their business culture. This insight enhances competing edge through constant awareness, benchmarking and evaluation of plausible scenarios, which provides immune structures against unforeseen catastrophes (Svieby, 2001; Davenport and Harrais, 2010).

> *Firms who dream of been successful must understand that the road to resilience starts with the learning process and knowledge shared- as it enhance performance through continuous communication of market awareness and risk mitigating strategies*.

Adaptive Capacity: As devising winning strategies are parts of management function (Chakravarthy, 1982). Corporate systems and processes have continually focused on the organizational capacities that overcome change resistance; which often alter performance, by lowering employee morale. In resilient corporations, adaptive value remains essential because it encourages teamwork that increases passion and work commitment. It also foster creative problem solving skills as found in corporations like Southwest Airlines.

Since this capacity determines the assertive strength of a firm towards sustaining its value in the market, experts like Porter, Christensen and Overdorf describes it as corporate capabilities in multifunctional and dynamic industry (Porter, 1996; Christensen and Overdorf, 2000). Because disruptive changes has moved beyond internal system, strategies and contingency, organizations' striving to be resilient, must continually dig deeper towards flexible and agile cultures, as it is only through these capabilities that corporate reputation and performance becomes immune from external shocks. As cited in the Motorola Iridium case, if the management team had been agile and adaptive to change, probably at the arrival of the mobile they would have learned of current changes in calling cost and mobile telephone size.

Even though it is a firebreak in a production unit or turmoil in the city of the first tier supplier, the ability of a firm to bounce back to production aftermath of such catastrophic setback is what makes the firm not just resilient but adaptive. A proper example is the fire disaster that hit New Mexico in 2000, destroying the chip plant of Philips Electronics, a major supplier of mobile chip to Nokia and Erickson. To sustain the market, Nokia moved ahead to find other suppliers in order to continue production while Erickson waited for Philips to resume operation. Erickson realizing that Philip's disruption was intense and they might not resume operation for a longer period moved out for alternative suppliers even though such move was too late. As Gerry and Valingkans (2003) stated, late turnarounds are as strategies delayed with tragic effects. As the year-ended, Erickson lost more than US$2.45 mn while Nokia moved to increase its market with almost 2.5% (The Economist, 2007).

Despite the fact that adaptive capacity varies; as different organization are prone to different situational risk like hypercompetitive environment, external forces of nature and high velocity market change. Yet, some common adaptive features exist among resilient organizations. In the quest for survival experts like Christensen and Overdorf describes these adaptive features as speed, agility and flexibility. As their integration builds corporate capacity, that sustains rapid changes, copes with sudden disasters, and utilizes values as opportunity for further innovation and market sustenance. When flexible cultures fail to integrate speed and agile strategies in order to demonstrate the need for change, the result is often skepticism, discouragement, lower job morale and narrowed operational efficiency (Benson, 2005).

Because value is no longer enough, businesses must understand that agility and speed in flexible culture are like fuel to resilience and survival. A business might be able to understand change on the short run but its failure to respond positively in the end makes such value meaningless and worthless. Who knows what would have been of Motorola Iridium-a flexible market invention that failed because of poor agility in responding to market demands. Perhaps, if the iridium value had sustained its market, it could have turned out to become a leading distinctive capability which will utilize economics of scale in lowering cost of calls and other services, like attracting best talents or investors.

There might be little room to question the role of resilience in the face of disruption. As they provide effective and quick response strategies towards managing adversities. When flexibility alone cannot support innovation, agility and speed becomes essential to stay abreast. Although the three set of capabilities are similar, they are different. Corporations in quest for survival must ensure the combination of these three values in order to achieve efficient result.

Situational Leadership: Since the processes of invention are no longer enough to compliment innovations. Corporate leaders must understand that anticipations from research and development team are just like brainstorms that are never enough, until they are experimented to obtain a result that meets threshold capability. As this implies, a corporation might have an efficient team of analytical employees who are skilled in strategies of improving performance and managing risk. Yet, can still fail to add value to the firm's performance because the leadership structure is rigid and resistant to change. From the work of Mayer and Davis (2004) which surveyed fortune companies and managerial tenures, it becomes evident that good leadership and performance affects managers tenures.

To be resilient, organization in the quest for survival must ensure that their managers are situational leaders, willing to act at anytime in order to improve performance. For Blanchard and Hersey (1996), situational leaders are leaders with managerial willingness and ability of handling decisions either by directing, delegating, coaching or supervising. These four principles by Blanchard and Hersey (1996) summarize corporations' with resilient leaders. In directing, they know when to be autocratic in order to achieve desired target, by delegating, they utilize participative leadership style that engages the view of team players. finally by coaching and supervising they are constantly seeking for ways of breaking barriers that are stumbling blocks like change resistance. To Gerry *et al.* (2008) these leadership qualities are radical management systems that constantly response to market demands.

Resilient managers understand the role of their research and development team in providing strategies that mitigate risk, develop new products and share knowledge among employees. For them, disruptive innovation remains a core competence, because trajectory values created today, even if they have little value might offer greater potential tomorrow. Many innovative corporations like Dyson vacuum cleaners and Whirlpool have continually sustained their market through this leadership style, by constantly investing on their research and development team that comes up with new products that act as distinctive capability.

Through coaching, most corporations have stayed competitive. Most times, they train their employees to become innovators who are value makers. Beer and Nohria (2000) described this leadership style as theory E and O, which means organizational leaders are pluralistic; welcoming ideas and developing the best they can towards improving performance. For corporations like Whirlpool- a household market giant, coaching is not just a management generic activity; but a core competence. In early 2000, Whirlpool in exhibition and workshops trained over 67,000 employees who produce more than 8,000 brainstorms ideas that lead to the manufacture of personal dishwasher of one or two dishes. Corporations like Whirlpool do not waste wealth resources by seating on change; instead, they make the business model an agent of change. In responding to market edge, Edward Deming described this leadership style as the corporate gap between American leaders and Asian tigers. As that gap makes American leaders and management system vulnerable because its ideas are limited to the upper stream.

Finally, is supervision which continuously reviews the key performance activities. Many resilient managers know when to make appraisals, give bonuses, and promotions. Although virtually all managers are supervisors for resilient leaders, it is not just a function but a fuel powers the organization, which leads to a higher commitments (Hamel, 2006). However, as different situation calls for different leadership approach, corporations seeking to be resilient must understand that strategy is not enough, as it is the management that determines the where and how of an organization. Simply put, this means that big corporations' needs strong leaders in order to withstand disruption (Hamel, 2006). Hence, this factor makes the management capability, a major factor that manages disruption, as without great leaders' great performers might be narrow (Hamel, 2006).

LAS ON RESILIENCE AND PERFORMANCE FRONTLINE

Organizations' with aligned resilience management have better insight on some factors which hinders corporate performance.

In this article, the role of Learning, Adaptive capacity and Situational leadership (LAS) with resilience are like two sides of a same coin thus, the both need to be in balance for organizations' that wishes to stay competitive. Since corporate performance has a connection with profit also, there is a correlation between resilience with performance. Organizations' that are looking for ways of increasing their performance should adopt resilience resource in their business strategy, as it responds to changing market demands (Aguirre, 2005). Organizations' with aligned resilience management have better insight on some factors that hinders corporate performance like cultures which resist change, poor leadership and planning effects.

In learning, managers might be proactive or often reactive in uncertainties. Most times, the primary aim is to see how other corporations are reacting towards the same issue. However, such benchmark do not only save cost of research and training, it also offer better insight towards doing things even better than competitors do them, since cost of research and development incurred are negligible; as the strategy which is developed, is originally from competitors. Organizations with strong learning process can also demonstrate resilience in tough economic times as shown by Dell computer. When the economy is facing difficulties, that responsive strength of an organization to take decisive actions, which avoids market decline by using situational leaders with the will to influence corporate change and adaptive capacity makes an organization resilient. Take Nestle as an example, with market demands changing and consumers increased preference for healthy food that reduced obesity, Nestle by learning about the change responded towards the market demands of which has positioned it as a healthy food producing company (Brown and Nuttali, 2013).

As competition has been the primary source of creative destruction as cited by Schumpeter (1934), organization who wishes to survive must ensure that their weaknesses are not predictable because such predictive value holds their vulnerabilities. What resilience as a resource capability does to an organization is to limit the chances of future vulnerability; thus making firms agile and adaptive through learning processes that mitigates such chances; either by proactive or reactive actions. Today, giant brands like Coca-cola from combining Learning, adaptive capacity and leadership by situation are moving to serve consumers even more preferably, as different needs of consumers are now met. From sugar-carbonated cola drinks which limits consumption due to diabetes to Low and Zero sugar carbonated drinks that offers verities at a value.

For most corporations who use sophisticated supply chain, like the just-in-time deliveries that enhance operational efficiency and effectiveness, for many corporations, poor supply chain management has been a major challenge. However, corporations' that are resilient are constantly taking decisive actions towards protecting their supply chain. In the five forces of competitive advantage Porter (1985) cited such actions as supplier threat. When firms find better ways of limiting their supplier strength, either by sourcing for alternative suppliers, or using different suppliers simultaneously: indirectly, such actions have direct impact on the firm's supply chain. First, it will limit the chances of vulnerability in case the first supplier goes under. Secondly, it will also increase values and supplier relationship, as different suppliers will ensure that they meet up with value. This decisive action can also influence cost as no supplying firm will set price above normal rates (See case *Toyota and market tenacity)*.

Toyota and Market Tenacity
When an organization can read and predict its own weakness, then its vulnerability becomes limited. The 2011 great earthquake and Tsunami of Japan affected many Japanese automakers, including auto-market giant Toyota (OICA, 2012; Schoenberger, 2010). The devastation forced many automakers to halt most production: leading to a reduction of over 160,000 cars, which were worth more than 30% of the car market profit (Schmidt and Simchi-Levi, 2013). For Toyota, the disaster was not just a colossal damage but also a revelation; as it opened their weaknesses and future vulnerabilities on their supply chain, which they previously thought was unbreakable. Using analytic measures, Toyota realized that their supply chains were heavily integrated: as their first tier suppliers depended on the second tier suppliers for one material or another, and such relationship continued to the third, fourth and fifth suppliers. Hence, making their supply chain predictable, as any external shock or disruption from either one of the supply tiers, automatically makes the whole system vulnerable, since they all operated in one system, and depended on each other for survival. As this learning gave Toyota a better insight on their supply chain vulnerability, prompted towards establishing a stronger supplier strength that could withstand shocks, the management team of Toyota decided to be more flexible in their supply chain. First, they identified their 20 major suppliers that worked closely with them. To enhance production, instead of waiting for the 6months estimation needed to restore these supplies, the auto-giant moved ahead to find better ways of improving the recovering time to weeks. Secondly, in order to hedge against such occurrences in the future—as they possess stronger supplier strength, they requested that their suppliers move most of their production components to other regions or neighboring countries, where they can use other suppliers, in order to break the link between the third or fourth tier relationships. On their own, they also relocated some models to other countries like New Zealand. Although the disaster might have cost Toyota a greater part of its profit in 2011—as risk is part of every process, its benefits lays in the future coping strength. In Toyota, the chances of plant or supplier disruption will be tiny-due to their move to immune those suppliers. By 2012, when operation got stable, the auto-giant regained its market strength as the world's biggest auto manufacturer.

The Imperatives of Resilience Strategy in Business Culture

Organizations' that spend money on resilient strategies, the result is always stronger brand strength and reputation.

To say that resilience strategy has a clear benefit to corporate performance in tough moments and adversity might not be far from truth. As risk and uncertainties are parts of operations generally they are accepted by corporate leaders. That power to cope and bounce back quickly in the face of risk is what makes a corporation resilient. Business Experts like Michael Porter perceives strategic positioning as a weapon for market longevity and survival (Porter, 1996). In support, Hamel and Valikangas (2003) argue that those strategies of longevity and business survival has inherit benefits to the bottom-line performance of the organization.

The first and obvious importance of resilience strategy which continually looks for better ways of coping with operations in the face of continuous huddles is corporate longevity and survival. Given this, corporations' that are constantly looking forward for market survival in the face of setbacks often adopt strategies of tenacity to continue even in the face of disruption. Such determination does not just ensure corporate survival through crisis; it also acts as a force which propels the internal culture towards better ways of improving market shares.

Again, because these corporations' communicates the need for corporate survival, they tend to be more agile and flexible. As culture induces the power of resistance towards change, when corporate cultures are embedded to resist corporate inertia, the result is higher empathy and enhanced speed in coping with market changes and innovation, thus, increasing operational efficiency and effectiveness while decreasing the cost of operational expenses sourcing for alternative suppliers which enhance competition and offers better supplier deals.

Although most resilience strategies requires additional cost of market evaluation through analytic learning, the long run benefits of this strategy far outweighs the cost. For most organizations that spend money on resilient strategies, the result is always stronger brand strength and reputation (Marchese and O'Dwyer, 2014). A good example is the way BP handled her spell in the Gulf of Mexico, which prevented further stock decline, bad reputation and litigation (Bean, 2010; De Wolf and Mejri, 2013; Villiness, 2011). In addition, the knowledge gathered on longevity strategies, reduces the chances of further decay in operational risk of inventories, plants and machineries enhancement.

Furthermore, organizations that are resilient often reduce their liabilities by decreasing the chances of litigation, either from employee revolt or from environmental claims that could set operations behind. These organizations by been abreast with regulatory and government compliance enjoy a level of legitimacy that attracts investment, while increasing customer base.

However, the strength does not just end with government support. A resilience strategy also reduces the cost of employee turnover while attracting best employees with high morale and work culture. Take the internal system as an example, the level of employee turnover might be highly insignificant because employees' safeties are part of corporate priority. This impact does not just boost morale and streamline the adaptive work culture; it also enhances the firm's competing strength: as experts like Eric Svieby are perceptive of the role of knowledge employees towards organizational performance (Svieby, 2001).

Strategic creativity is the only chemistry against strategic drift.

In summary, one dilemma about survival is that invention is longer enough. Organizations' that wishes to survive must constantly move from invention to continuous innovation, because strategic creativity is the only chemistry against strategic drift. As demonstrated in the case of Motorola and Toyota, even Cola-cola as cited above. Corporations' need to understand that change is part of performance organizations' who wish to sustain in turbulent times must ensure that they align the resilient spirit in their business culture; as its will, is to demonstrate constant coping in the face of competition and natural disasters**.**

As Core strategies looks deeper towards competing strength. Organizations' that dig deeper to be resilient must look towards their capabilities on their learning process, adaptive capacity and leadership. By LAS in business culture, firms' will understand the role of learning processes of their market, which offers better insight towards analytics and ways of either developing a product, a market or risk mitigation. Again, the knowledge from learning insight ushers businesses into another environment were resilience becomes essential. By this, firms' learn how to manage their culture in order to withstand resistance towards quick and agile adaptation, which arises from flexibility.

Finally, as what makes a firm resilient and adaptive lies in the internal strength, take a moment and reflect on Starbucks. At the appearance of Schultz at its earlier stage; when sales were going down and the need for a situational leader was essential. Likewise, Steve Jobs in Apple Inc, the will of such corporate leaders makes a corporation resilient. In order to avoid continuous failures they diversify corporate resources like establishing market in other countries (Starbucks), as well as products (Coca-cola moving to Milk), suppliers' (Toyota) even investors. Most times, the primary purpose of reducing such corporate dependency on resources considered critical is to reduce corporate weakness and core competitor's predictive strength, which could make the firm vulnerable in future. This makes competing strength a corporate resource needed to manage market profits, growth and decline.

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Hyderabad, INDIA. Ph: +91-09441351700, 09059645577
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