Chapter 101
Strategic Success, Supply Chain Performance, and Social Media:
The Impact of New Technologies

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ABSTRACT

This chapter explores the impact of social media to provide critical communication about the firm's strategic plans to all stakeholders. Lack of communication is among the most frequently references for strategic failure. Additionally, the supply chain has become recognized by some firms as a strategic advantage, and social media provides new opportunities to communicate throughout the supply chain. Strategic success and supply chain performance can be enhanced through the use of social media and the resulting communication effectiveness to all stakeholders.

INTRODUCTION

The success of strategic management is determined by the effectiveness of the strategy when implemented. On average ninety-five (95) percent of a company's employees are unaware of or do not understand its strategy (Kaplan & Norton, 2005). If they are unaware or do not understand what the strategy is, it is not too difficult to infer they will not be able to implement it effectively. Communication of the firm's strategy is therefore critical. Without an understanding of the strategy it is unlikely that communication within the firm and among those that must execute strategy can be effective. The new capabilities of social media individually (Facebook, Twitter, YouTube, etc.) and integrated into social media platforms provide strategic communication of strategies and the enhancement of organizational collaboration to strategic success. There are many external environmental issues that affect strategy. There are also theories that use a resource based view (RBV) and that internal performance is the key determinant of an organizational and strategic success (Porter, 1998).

A key focus of this paper is an assessment of strategic management and the use of social media to provide new levels of organizational communication and collaboration. Accordingly a resource based view of success can only be achieved with stakeholder communication which is a vital element of strategic success. Embracing and adapting social media to increase participation and engagement, in particular stakeholders directly responsible for strategy implementation, is a potent technological tool (Vasquez & Velz, 2011). The lack of effective communication of strategies and goals to employees who will implement strategic plans will result in either failure of the plan or a sub-optimal implementation of the plan. This paper will also review the critical role of supply chain and how social media contributes its effectiveness. The supply chain and value chain concept of are closely related (Porter, 1998). The supply chain is a critical factor in organizational performance and a determinant of strategic success. The successful supply chain is one where communication and collaboration between all segments of the chain contribute to successful supply chain execution thereby minimizing the bullwhip effects.

STRATEGIC MANAGEMENT AND PLANNING

Strategic management is defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Strategic management in this article is used synonymously with the term strategic planning. Sometimes the term strategic management is used to refer to strategy formulation, implementation, and evaluation, with strategic planning referring only to strategy formulation (David, 2013).

Strategy formulation includes developing a vision and mission, identifying an organization's external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing particular strategies to pursue. Strategic formulation requires effective and efficient communication to all stakeholders. Strategy implementation requires a firm to establish annual objectives, devise policies, motivate employees, and allocate resources so that formulated strategies can be executed often called the action stage. Strategy evaluation, the final phase of strategic management is reviewing external and internal factors that are the bases for current strategies, measuring performance, and taking corrective actions. The conceptual model for this article is illustrated in Figure 1.

Even the best formulated strategy will not be successful unless the employees and related stakeholders understand the strategy and commit to implement the strategy. This requires that the strategies should be communicated to these stakeholders. The ability to use social media to enhance communication and provide a level of information sharing that is not possible without the use of technology and social media can be a powerful contributor to strategic success.

There are multiple reasons for strategic management failures. Among them is the lack of an effective strategic communication with employees

Figure 1. Strategic management process

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