AN AHP MODEL FOR SELECTING STRATEGIC OPTIONS

Sezi Çevik Onar*
Management Faculty
Istanbul Technical University
Macka, Istanbul, TURKEY
E-mail: sezicevik@yahoo.com

Seçkin Polat
Management Faculty
Istanbul Technical University
Macka, Istanbul, TURKEY
E-mail: polatsec@itu.edu.tr

ABSTRACT

The high level of competition and uncertainty forced firms to make right and on time strategic decisions in order to survive. The management practices for the stable environments are not suitable for the new dynamic environment. In order to respond to this dynamic and uncertain environment, managers and academicians focused on the organization's strategic flexibility. According to the strategic options view the main property of strategic flexibility is the ability to access to the resources and capabilities when they are needed (Sanchez, 1997). Strategic flexibility is defined as "condition of having strategic options that are created through combined effects of an organization's coordination flexibility in acquiring and using flexible resources" (Sanchez, 1993). According to this definition in order to have strategic flexibility, firms need to have strategic options and the main task of the managers is to define, develop, acquire and coordinate the resources and competencies that will optimize the value of strategic options cluster. In order to optimize strategic options cluster managers should effectively manage competence building and competence leveraging processes. In order to have effective competence building and competence leveraging processes we should answer the questions "What are the factors effecting these processes"? However, the selection of a suitable strategic option is not an easy decision, involving a lot of complex considerations. Therefore this study focuses on the factors effecting the exercising decision of a strategic option. An analytical hierarchy process is applied to selecting strategic options that will be exercised.

Keywords: AHP, Strategic Options, Competence Building, Mergers and Acquisitions