COMPANY STRATEGY FOCUSED ON THE RELEVANT STAKEHOLDERS: NECESSITY, CHARACTERISTICS AND ADVANTAGES

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ABSTRACT
In the paper we present a new type of strategy - company strategy focused on the relevant stakeholders. It is based on the new managerial paradigm "manager - relevant stakeholder" which started to replace classical paradigm "manager - subordinate". The paper is structured in four parts: the necessity to use this strategy, demonstrated by five arguments; definition and the 16 main characteristics of the company relevant stakeholder's strategy; specific methodological elements involved by the design and the implementation of the strategy; multiple advantages which make necessary and performant the relevant stakeholders' strategy in the context of VUCA context and the transition to the knowledge and digitalized based economy.

KEYWORDS: *strategy, stakeholder, relevant stakeholder, company strategy, performance.*

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1. INTRODUCTION

Companies' functionality and performances depend to a large extend on their strategy. For this reason, it is essential for each company to elaborate and implement an efficient and effective strategy. This explains why in the last decades have been a large variety of theoretical and practical companies' strategies approaches.
We have proposed to refocus the management on the relevant stakeholders and a new managerial paradigm "manager - relevant stakeholder" instead of present paradigm "manager - subordinate" (Nicolescu & Nicolescu, 2022).
In order to implement this new vision, we should make deep changes in all major components of the company's management. Company's strategy represents one of the most important management fields to be remodeled. In order to fulfill this, we propose to elaborate and implement a new type of strategy – company -relevant stakeholders-based strategy.

2. WHY IS NECESSARY A COMPANY STRATEGY FOCUSED ON THE RELEVANT STAKEHOLDERS?

This new type of strategy is necessary because of the following essential elements:

(a) The dependance of the company functionality and performances on the internal and external stakeholders.

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(b) The increasing number of companies replace the classical value chain with the virtual value chain which is an open value chain. As consequence their performances depend not only on the internal activities but also on certain external activities and implicitly on the relevant external stakeholders (main suppliers, customers, distributors, informaticians, consultants, and so on) who fulfill them.

(c) The enlargement of the company and its relevant stakeholders' social responsibility and, concomitantly its multidimensionality. Social responsibility to be based on the pentagon of the social responsibility (Nicolescu & Nicolescu, 2022) instead of Carroll's pyramid of responsibility (Carroll, 2016).

(d) The amplification of the company's environment complexity, fluidity and dynamism and its impact on the organization's activities and performances. In order to face the new challenges generated by this evolution, it is very helpful to involve all relevant internal and external stakeholders. Their knowledge and other intangible resources, their decisions and actions could contribute to a large extent to successfully face challenges determined by VUCA environment (Bennett & Lemoine, 2014, Garrow & Varney, 2015).

(e) The development in the companies of the new and very performant managerial approaches and mechanism – like customers relationship management (CRM), supply chain management (SCM), corporate social responsibility (CSR) based on the relevant company stakeholders.

These new elements have demonstrated the many and huge advantages generated both for company and its stakeholders, by the integration of relevant external stakeholders in the company's activities. All above mentioned elements have largely contributed in many organizations to the company managers' awareness of the determinant influence of the relevant stakeholders.

3. DEFINITION AND MAIN CHARACTERISTICS OF THE RELEVANT STAKEHOLDER'S STRATEGY

Because the company relevant stakeholders focused strategy is a new concept, we should start with its definition and characteristics.
Company relevant stakeholders' strategy is an organization strategy whose each component takes into consideration the interest and the influence of the company and relevant internal and external stakeholders, in order to achieve common fundamental objectives win-win negotiated and to generate competitive advantages for company and stakeholders. The revealing of the main specific characteristics of this new type of strategy is very helpful in order to be able to understand and to use it successfully (Figure 1):

- It is focused on the all internal and external relevant stakeholders. Selection and focalization on the relevant stakeholders should be done based on the set of rigorous parameters (Nicolescu O. & Nicolescu C., 2022).
- It is an open strategy that addresses an organization oriented to innovation and internal and external stakeholders, and not a "proprietary strategy". As an open strategy is characterized by two dimensions – transparency and inclusion (Hautz et al., 2017) – both essential for effective and efficient relationships with company relevant internal and external stakeholders.
- It is centered on all activities that make up the company's virtual or knowledge value chain and on the relevant stakeholders that fulfilled them. This is a premise in order to maximize the total value created, both for the company and its relevant stakeholders.

- It is a behavioral strategy that "aims" to bring realistic assumptions about human cognition, emotions and social behavior to the strategic management of the organization (Sibony et al., 2017). A behavioral strategy facilitates the "humanistic management" in the organization that is essential for the strong involvement of the internal and external stakeholders in the company's activities and development.

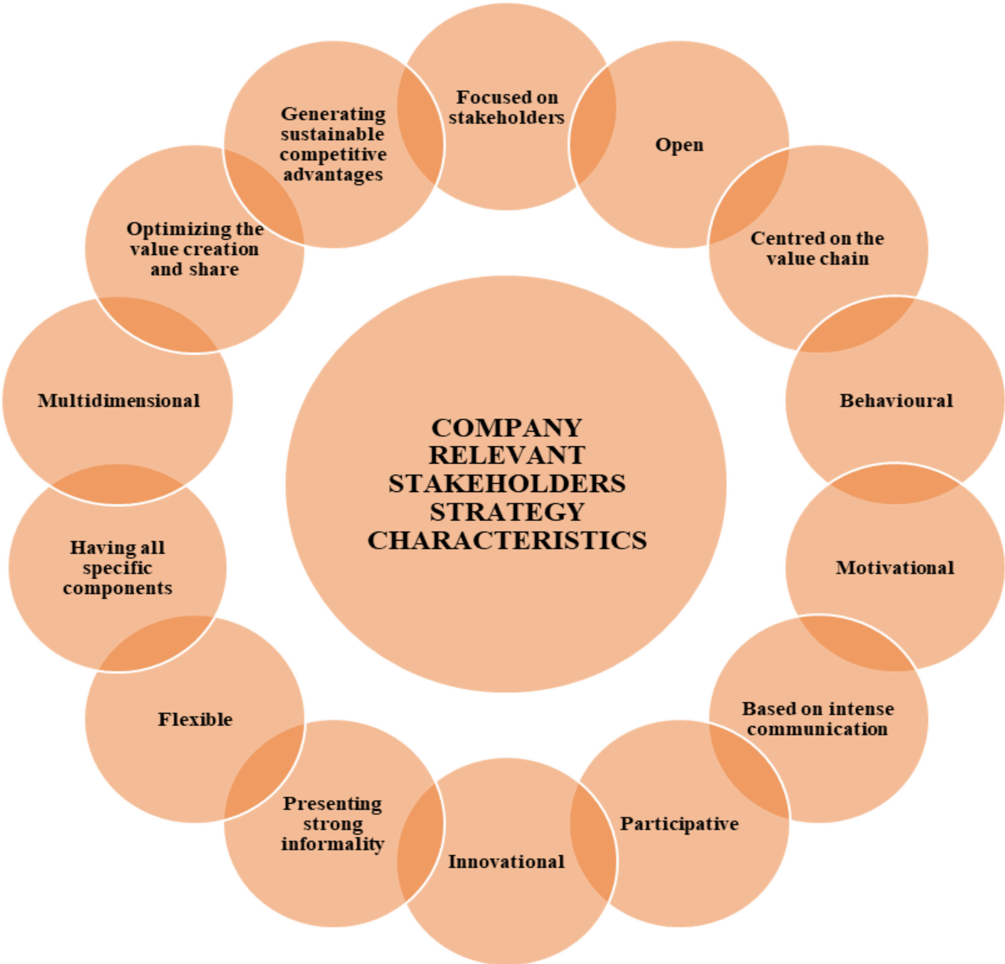

Figure 1. Characteristics of the company strategy focused on relevant stakeholders
Source: adapted from Nicolescu & Nicolescu (2022, p.322)

- It has a high motivational content. In the projection of the strategy, the main interests and expectations of each relevant stakeholder are identified and taken into consideration. Common objectives of companies and relevant stakeholders represent an essential starting point in achieving this. Intrinsic and extrinsic motivations adapted to the specificity of each category of relevant stakeholders should be taken into consideration and promoted by the company strategy.
- It is based during the construction and implementation of the strategy focused on the relevant stakeholders on the comprehensive communication with the relevant stakeholders. Each relevant stakeholder should be informed and asked their opinion regarding the elements of the company strategy in which he/she has a major interest and/or influence. In determining the strategy elements, where the relevant stakeholder is directly involved, it is necessary to practice win-win negotiation and rational compromise.

- It is a participative strategy. Each relevant stakeholder should take part in the elaboration of the strategy elements, having a direct influence on their work and performances. Participation of the relevant stakeholders in the elaboration of the company strategy not only increases its realism and potential but also contributes to faster and more effective and efficient implementation.
- It is innovational both for the company and for the relevant stakeholders. The innovation radar (Sawhney et al., 2006), which displays the 12 dimensions of business innovation involving the relevant stakeholders, can be very useful in increasing the scope and the performance of innovation.
- It is more informal, compared with classical strategies, due to the participation of many relevant stakeholders, especially external ones, in the design of the strategy, which could not be done without using an informal approach. The elements in the strategy that refer directly to the external relevant stakeholders also present a certain degree of informality. An informal approach integrated in a "humanistic management" helps to build sustainable and effective relationships with the relevant stakeholders.
- It involves a flexible approach which is a mandatory ingredient of the construction and implementation of a company strategy based on the relevant stakeholders. Without a flexible approach it is not possible to communicate and to take into consideration the main interests and expectations of many different relevant stakeholders. Also, the content of the strategy should also be designed and implemented in a flexible manner, in order to be realistic, to be able to reflect the changing conditions in the company at the level of the relevant stakeholders and – of course – in the business context.
- It contains all the main components – mission, fundamental objectives, strategic options, resources, terms and competitive advantages – rationally correlated and integrated. The lack of one or more components makes it impossible have and to operate a performant strategy, to generate the engagement in the company and the relevant stakeholders.
- It optimizes the total value in the company, taking into consideration the main interests, contributions and expectations of all relevant stakeholders and not only the profit and/or dividend, according to business tradition. Optimization of the total value created by the company and its appropriate share with relevant stakeholders represent the realistic and mandatory business background of the company management.
- It is multidimensional, in terms of both content and performance. Besides the traditional business aspects, the strategy integrates the main social, ecological and educational aspects, which are important for the company and demanded by the relevant stakeholders.
- It is able to generate sustainable competitive advantage and not a temporary advantage as has happened quite often. A company is sustainable competitive only if it takes into consideration the major interests and expectations of the relevant stakeholders. Also, the company competitive advantage, as much as is possible, should be harmonized with the competitive advantages of the external relevant stakeholders, this being a precondition in order to achieve sustainable performances.

These characteristics are based on the top managers "ADAPT" dimensions: ability to anticipate, drive, accelerate, develop partnership and confer trust.

4. SPECIFIC METHODOLOGICAL ELEMENTS

Without any doubt the methodology to be used for this company relevant strategy, it is the same utilized usually for any company strategy. This means that are involved the same stages and activities:

STRATEGY DESIGN

- Identification and usage of scientific, technical, commercial, financial, managerial etc. forecasting related to the environment in which the company operates
- Performing complex diagnosis studies and SWOT analysis
- Making in-depth marketing studies
- Realization of ecological studies

STRATEGY ELABORATION

- Formulation of company's mission
- Specification of fundamental objectives
- Establishing strategic options
- Sizing needed resources
- Setting deadlines for reaching the objectives and strategic options
- Establishing the competitive advantage
- Articulation of the global strategy
- Establishing partial strategies
- Formulating global policy and partial policies

STRATEGY IMPLEMENTATION

- Preparing strategy implementation
- Partial or complete remodeling of the organization's managerial system
- Operating expected strategic changes
- Assessing the results of strategy implementation
- Concepting and operating certain improvements

Figure 2. Stages of the company strategy
Source: adapted from Nicolescu & Verboncu (2001, p.61)

The content of the strategical methodology has certain particularities because of the specificity of the company relevant stakeholder's strategy. According to our analysis the main specific methodological elements are the following:

a) The strategical point is the assumption by the company's top management of the identification of all inside and outside organizations activities which shall be taken into consideration in the strategy elaboration and implementation.

b) The identification and the rigorous evaluation of the external and the internal stakeholders determining the main interests, influences, resources and other important elements to be considered in the strategic process.

c) The strong implication and cooperation with the relevant stakeholders in all phases of the company strategy elaboration and implementation.

d) The strategy company mission should be comprehensive, having elements regarding the relevant stakeholders.

e) The prevision in the company strategy of the common fundamental win – win negotiated with the relevant stakeholders.

f) The formulation of the strategical options together with the relevant stakeholders, establishing their major implications, especially for the relevant external stakeholders.

g) In the determination of the strategy resources to be taken into consideration is necessary to be start from the availability of the intangible resources of the company and the relevant stakeholders.

h) The strategy terms for the operationalizations of the company strategical options and those specific to the relevant stakeholders should be harmonized with the contribution of each part.

i) Periodical evaluation of the company strategy implementation, including the corrections and the improvements should be done together with relevant stakeholders.

In the whole process of the relevant stakeholder strategy, elaboration and implementation are very useful to use the elements incorporated in the company relevant stakeholders' businesses model presented in Figure 3 (Nicolescu & Nicolescu, 2022).

STRATEGIC STARTING ELEMENTS	RELEVANT STAKEHOLDERS' EVALUATION AND SELECTION	STAKEHOLDERS' NETWORKING MECHANISM CONSTRUCTION	RELEVANT STAKEHOLDERS' ENGAGEMENT AND RESPONSABILIZATION	VIRTUAL AND/OR KNOWLEDGE VALUE CHAIN	COMPANY AND RELEVANT STAKEHOLDERS' PERFORMANCES	COMPANY AND RELEVANT STAKEHOLDERS' SYNERGETIC RESULTS
- Marketing segment targeted - Products, services beneficial to consumers - Resources available - Intellectual capital needed - Industry main social responsibilities - Humanistic management features - Potential stakeholders' knowledge and other resources - Ecological requirements - Characteristics of company culture - Company leadership styles - Main features of the technologies used - Structure of company value chain - Company position in the industry value chain - Estimated cost structure - Estimated income potential	- Stakeholders - Managers - Employees (executants) - Customers - Suppliers - Production partners - Bankers - Investors - Competitors - Consultants - Trainers - IT experts	- Win-win negotiations with each relevant stakeholder - Joint objectives - Win-win relationships established with each relevant stakeholder - Development of friendly emotional climate with relevant stakeholders - Organization stakeholders' network establishment	- Specific and fair treatment for each relevant stakeholder - Intense communication with stakeholders - Joint stakeholders' previsions - Mutually beneficial contracts for stakeholders (labour, supply, sell, etc.) - Fair stakeholders' behaviour - Specific stakeholders' incentives - Stakeholders' resources share - Joint stakeholders' decision - Joint stakeholders' actions - Harmonization of the relevant stakeholders' behaviours	- Communication - Design - Investments - Financing - Sharing - Innovation - Acquisition (supply) - Production - Marketing - Sell - Capturing value - Motivation - Networking	- More resources attracted and used - Intense work collaboration - Constant information and knowledge share - More innovation - Higher productivity - Cost optimization - Sales increase - Better stakeholders' working and life relationships - Open and innovational organization and stakeholders' culture - Friendly emotional climate - Accomplishment of social responsibilities - Fulfilment of ecological requirements - Better company stakeholders' public image - Competitive company and stakeholders' board	- Increasing company competitivity - Developing organizational sustainability - Fulfilling the main stakeholders' reasonable expectations - Development of the stakeholders' sustainable relationships - Company internal and external relevant stakeholders' community - Valorising the relevant stakeholders' networks - Multidimensional performances of the company and the relevant stakeholders
WIN-WIN NEGOTIATIONS AND RELATIONSHIPS WITH EACH RELEVANT STAKEHOLDER						

Figure 3. Company relevant stakeholders' business model framework
Source: adapted from Nicolescu & Nicolescu (2022, p.308)

Methodological elements presented in these paragraphs indicate the elaboration and implementation of this innovative type of company strategy focused on the relevant stakeholders is more complex than the previous strategical approach used so far by specialists. These elements are very necessary to be taken into consideration in order to valorize to a higher degree the huge potential of relevant stakeholders for them and for the company.

5. MAIN ADVANTAGES

The strategy focused on the relevant stakeholders is able to generate multiple advantages for the company stakeholders, the businesses and societal context. We present which are these advantages according to our analysis:

– To provide the vision and the essential economic – managerial parameters for the reshaping the other company management components, based on the new management paradigm "manager-relevant stakeholder" instead of the paradigm "manager-subordinate".
– To attract and utilize in the company supplementary resources from the relevant stakeholders which are to a large extent free or with lower costs.
– To facilitate and accelerate the company transition from the value chain (classical) to the knowledge value chain, better securing the value chain activities fulfilled by the relevant external stakeholders (main suppliers, distributors, clients etc) and increasing its functionality.

- To much better motivate the human resources involved both from the company and from external relevant stakeholder.
- To superior valorize the potential and resources available in the company and the external relevant stakeholders.
- To greatly contribute to the development of the open participative entrepreneurial culture in the company.
- To generate higher synergy in the company and at relevant stakeholders.
- To increase company and relevant stakeholders' resilience.
- To amplify the company and external relevant stakeholders' capabilities to take into consideration and to successfully respond to the grand societal challenges, which shall have a stronger impact on the business and organizations.

Of course, the company relevant stakeholder's strategy faces – like any new essential managerial change – and certain limits, which refer to the complexity, duration, costs and difficulties to project and implement it we do not insist on these because there are common in every important management change. Without any doubt the many and consistent advantages associated with company stakeholders' strategy are very solid arguments in order to use it. In the present VUCA environment in a period with many crises and with the accelerated transition to the knowledge and digital based economy, this innovative type of the organization strategy represents an essential way to increase the company resilience.

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