

Typology of a Company

Defining the typology of the company according to the Miles & Snow typology will help us to identify the center of gravity in regards to the constellation of the dominant coalition. The table below enumerates the 10 perspectives in which Miles and Snow have categorized their typologies of Defenders, Prospectors, Analyzers and Reactors.

	Defenders	Prospectors	Analyzers	Reactors
Parameters/Questions				
1. The Market environment of our company is:	We focus on a narrow market segment	We continuously expand our market focus	We continuously adjust our market focus	Our market focus can change
2. Our company achieves Success because...	...we are prominent in our market	...we permanently pushing for new solutions	...we adjust to market needs	...we exploit chances
3. Your company conducts Observations...	...of our market and our organization	...wherever possible, aggressive search	...we observe our competition	...depending on actual need
4. Growth is experienced because of...	...we focus on a narrow market segment with advanced technology	...permanently accessing new markets / new developments	...focused penetration and careful product selection	...our flexibility
5. Technology in your company needs to...	...be cost-efficient	...flexible	...synchronised	...adjusted to our actual needs
6. Your company invests in Technology...	...of our core market	...of different and new developments	...which is compatible to our infrastructure	...when necessary
7. Technology in your company works because of:	...standardization and maintenance	...of the people behind it	...planning and synergies	...we are open for experiments
8. Planning is for our company	...a fundamental	...related to problems and opportunities	...comprehensive and permanently improved	...crisis oriented
9. The Structure of our company is...	...functional/line authority	...product and/or market centered	...staff dominated / matrix	...tight formal authority
10. Control in our company is...	...centralized and backed up by finance	...depending on market performance	...calculated based on risks	...handling problems
Dominant Coalition	Finance, Production	Marketing, Sales, Research&Development	Planning Staff / Support Activities acc. to Porter	Trouble-Shooter (depending on the issue)

Table 7: Re-phrased parameter-questions leading to Typology and therefore Dominant Coalition **M/S**

Through our online application the interviewee will be guided through the 10 questions and the four possible answers are given and shown simultaneously in order to give a selection to choose. To avoid a potential subliminal influence of a decision pattern the possible answers will not always been shown in a similar order (the answer for ‘Prospector’ will not always been shown as the second answer). A random generator will shuffle the potential answers whenever the question is shown. Answering a question will add on points to the responsible typology whereas a 100% typology specific result would mean that the determined dominant coalition is awarded with 51% of ‘points’ which can be collected in this part of the questionnaire. Things are getting a bit more complicate when there is not a 100% match in one specific typology – and it is most likely to expect that this will be the

case most of the time. Now the question is how we create our algorithm in order to allocate the pointing systems among the typologies depending on how often an interviewee has selected it. The variety of combinations can be calculated through in a grid of 4 questions in 10 categories, whereas it is required to answer each question and not more than one answer per category is allowed. The total number of permutations is 10^4 (10'000). A preference to one or the other typology will show a preference towards certain departments. Things are getting interesting if for example the answers are distributed among Defenders and Analyzers as in such a case the department of Finance would be two times among the beneficiary and accordingly to that increase its share on the dominant coalition significantly. A special role is given to answers which are falling into the category of the Reactors; as it cannot be identified which department is carrying the role defined by Miles & Snow as trouble shooter, points resulting out of a selection for this Typology will be allocated equally to all departments available.

3.1.3 Methodology of Collecting Data

The creation of a pointing system for Typology was not done in one go as there have been several obstacles. First of all we have to make the main differentiation about dominant groups and Secondary groups. According to the Miles & Snow Typology it is given which Typology will result in which dominant coalition. For Defender it is Finance and Production (2). For Prospector it is Marketing, Sales and R&D (3). Analyzer is putting Finance, HR, Infrastructure and R&D (4) in the dominant coalition whereas Reactor is allocating just all possible Departments in the group of the dominant coalition which according to Porters Value Chain are then seven departments. The table below is enumerating all those possibilities which means depending on which Typology is chosen by the interviewee at each of the 10 questions, the corresponding departments will be forming the so called Dominant Coalition.

What is visible from just looking at the table before even starting with any calculation is that Finance is represented in three out of four Typologies. This at the end implies that Finance is counted more often to the Dominant Coalition than any other department. The surprise is coming from there that Finance is according to Porter's Value Chain only a Secondary Activity.

Table 3: Dominant Coalition Based on Typology

Finance	Defender
Production	Defender
Marketing	Prospector
Sales	Prospector
R & D	Prospector
Finance	Analyzer
HR	Analyzer
Infrastructure	Analyzer
R & D	Analyzer
Finance	Reactor
Production	Reactor
Marketing	Reactor
Sales	Reactor
R & D	Reactor
HR	Reactor
Infrastructure	Reactor
Logistics	Reactor
Service	Reactor

In general the allocation of percentages for the Dominant and Secondary groups are that the Dominant Group gets 51% whereas the Secondary group gets 49%. However, and here comes the tricky part, this doesn't work out in all constellations.

3.1.4 Introduction to Awkward Constellations:

Sticking to the rule that the Group of Dominant Departments always have 51% versus 49% for the Secondary Departments will not work out as demonstrated in the examples below. In such situations, the Dominant Departments would not be dominant anymore:

1 Dominant Department (51%) vs 1 Secondary Department (49%) all fine

2 Dominant Department (25.5% each) vs 1 Secondary Department (49%)

3 Dominant Department (17% each) vs 2 Secondary Department (25.5% each)

Therefore in constellation of where there are more Dominant Departments than Secondary Departments a Dominant Department would have less percentage than an Secondary Department! Since a Coalition per se is more than one (1) and Miles & More have defined in their Typologies Defender, Prospector, Analyzer to have two (2), three (3) and four (4) departments in its Dominant Coalitions that will lead to awkward constellation whenever there are less Secondary Departments in that specific case. Reactors by the way are not an issue as in this Typology simply all Departments are in the Dominant Coalition.

The problem will appear in the situation (D vs O) 2:1, 3:1, 3:2, 4:1, 4:2, 4:3. How we have tackled this problem is that we have started to look at the problem from the smallest possible constellation where a smaller group is dominant over a larger group by percentage allocated. Two (2) is given as this is the minimum required to build a coalition. Three (3) is therefore the next bigger value. 2:3 can then be taken as the smallest ideal example where therefore the proportional factor is 1.5 in order to be equal and $1.5 + 1n$ in order to be dominant. $1n$ is representing just anything. A majority is at the end not only 51% but also 50.1 or 50.001 or 50.0001% ... it is just 50% + anything, what we define as $1n$. So in awkward constellations we have chosen the value for the Dominant Department to be the value of the Secondary Department multiplied by 1.5 + adding $1n$, a microscopic value which at the end gives the amplitude. So we have taken the smallest possible constellation and took this as a pattern to be applied to all other situations where the same miss-constellation will appear.

There still might be the case that in a specific interview not all of our enumerated departments are mentioned and then through that only one department might be dominant. In such cases the dominant department gets 51% by default.

3.1.5 Conditions:

1. Ten Typology questions are asked and the answer of each question will determine which department is in the Dominant Coalition.
2. In the cases where the number of Departments in the Dominant Group (d) is lower than the number of Departments in the Secondary Group (s), the percentage of

influence assigned to each Department of the Dominant Group is $0.51/d$, whereas the percentage of influence assigned to each Department of the Secondary Group is $(1-0.51)/s$

3. In cases where the number of Departments in the Dominant Group (d) is higher than the number of Departments in the Secondary Group (s) for example 3d:2s the percentage of influence assigned to each Department of the Dominant Group is $[1.00/(d+s)] + 0.01$ whereas the percentage of influence assigned to each Department of the Secondary Group is the remaining value $/s$.
4. If there is only one Department named in the Dominant Group (in cases where there are not all departments available according to the Miles & Snow Typology) then this department receives 51% by default

With the conditions set above it is given that in all possible variations the percentage of influence of a Department or the whole Group in the Dominant Coalition is always higher than the percentage of influence of a Department or the Group in the Secondary Coalition.

At the end of the section Typology the accumulated percentages through all ten questions for each Manager (Department) will be weighted in comparison to all other Managers (Departments).