In recent years, the development of ICT and digitization has increased the need to develop new products and services and build business models that transcend industries and merge different technologies. Technology innovation in the past closely pursued and developed specialist knowledge, but with the development of unprecedented new products and services based on new concepts, innovations increasingly arise from merging one technology field with another. Amid continuous environmental change, dynamic strategic management to deliberately and constantly create new positioning (including new products, services, and business models) and values is an important theme for practitioners on a day-to-day basis.

How should companies exploit and implement strategy under a dynamically fluctuating environment? What is the essence of dynamic strategic management? These issues are common points of deliberation for strategy researchers and numerous corporate leaders alike. The research question I would like to pose as a specialist in the fields of innovation and strategic management is that of how to achieve this corporate strategy for dynamic strategic management. This book suggests a framework and case studies for dynamic strategic management theory for strengthening existing business and taking new positions to target new business (products, services, and business models) under a rapidly changing environment.

The essence of strategic management goes beyond companies simply adapting to environmental change while creating appropriate strategies for the future. It also involves companies optimizing the individual management elements that comprise the corporate system (including organization, strategy, operation, and leadership) in alignment with these factors, and achieving continuance and growth through integrative and dynamic development. How companies consider congruence with the environment and dynamically transform corporate boundaries to adapt to the environment (or create new environments) has become a key theme in the implementation of corporate strategy. In this book the optimal design of a corporate system comprising the management elements of strategy, organization, operation, and leadership aimed at designing corporate boundaries compatible with the environment is referred to as “business architecture.”

“Business architecture” is a concept for optimizing corporate boundaries aimed at realizing targeted business models and corporate system design involving stakeholders. To optimize the corporate boundaries, companies must partially and wholly
optimize the individual management elements (strategy, organization, technology, operation, and leadership) comprising the corporate system that has achieved congruence with the environment. The management to optimize these corporate boundaries and the corporate systems comprising individual management elements is referred to in this book as “boundary management.”

The concept of “boundaries congruence” inside and outside the corporate system, and the building of optimal architecture concerned with environmental change and with management elements such as strategy, organization, technology, operation, and leadership are key to realizing dynamic strategic management. This book presents the concept of “business architecture” and optimizing processes as a corporate system based on multiple corporate case studies.

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