A Strategic Management Maturity Model for Innovation
Ferhat Demir

“Building a visionary company requires 1 percent vision and 99 percent alignment.”

Jim Collins and Jerry Porras
In Built to Last (1994)

Even though strategic management is highly critical for all types of organizations, only a few maturity models have been proposed in the business literature for the area of strategic management activities. This article updates previous studies and presents a new conceptual model for assessing the maturity of strategic management in any organization. The Strategic Management Maturity Model for Innovation (S3M-i) is composed of six maturity levels with seven dimensions. The main contribution of the S3M-i is to put innovation into the agenda of strategic management. The main objective of this study is to propose a model to align innovation with business strategies. This article suggests that innovation (new breakthrough products/services and business models) is the only way of creating sustainable growth, and strategy studies cannot ignore this aspect. Maturity models should embrace innovation to respond to the dynamic business environment and rapidly changing customer behaviours.

Introduction

Ever since the industrial revolution, strategic management has been discussed extensively in the related literature. However, like everything, the subject of strategic management has been evolving and changing. In the beginning, strategic management focused on productivity: strategy was driven by efficiency and cost concerns. More recently, with the dawn of the information age and the discovery of breakthrough technologies, corporations have increasingly focused on business intelligence. Collecting and analyzing useful data has become one of the most important agenda items. Today, analyzing data is not sufficient to gain a competitive advantage; it must also lead to new products, services, and unique business models. Unfortunately, the strategy literature has fallen behind this rapid, dramatic change. Strategy studies typically lack the notion of innovation.

The aim of this article is to embed innovation into the strategic management agenda and link innovation to strategy. It seeks to fill a gap in practice and in the related literature: there is currently no up-to-date strategic maturity model addressing the innovation-related needs of today’s organizations. The available empirical literature of strategy studies on maturity models and frameworks are scarce. Additionally, new developments, emerging issues, and changing customer behaviours that influence the maturity of strategic management have been neglected. Therefore, this article uses existing models (BSCI, 2010; Demir, 2017) as a foundation but offers a new approach that covers emerging needs and trends, especially as they relate to innovation.

The intent here is not to examine strategic management in depth. Rather, the aim is to develop a model that any organization can use to evaluate the maturity of its strategic management along multiple dimensions. The proposed model is designed to assist executives in identify the maturity level of strategic management in any organization – specifically as it relates to innovation.

Background and Methodology

Today, many maturity models are based on the capability maturity model (CMM) developed by Carnegie Mellon University in the late 1980s. Maturity models cover a wide range of subjects from organizational development to business analysis. A number of maturity models have been introduced to evaluate different aspects of organizations such as corporate performance management (Aho, 2009), business process management (Fisher, 2004; Melenovsky & Sinur, 2006; Rosemann et al., 2004), project management (PMI, 2013), and innovation management (Nauyalis, 2013).
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In the research literature based on the CMM, many additional maturity models have been proposed to suit specific contexts, however, none have been developed specifically for strategic management activities for innovation. As a step towards addressing this gap, the author previously conducted a quantitative study to assess the maturity level of 74 research and technology-intensive organizations in Turkey (Demir, 2017). Across a range of sectors, including telecommunications, healthcare, finance, electronics, government, and energy, the results showed that the maturity level of the most organizations is rather modest (typically level 3 on a scale of 1 to 5).

Also, the Balanced Scorecard Institute (BSCI, 2010) has developed a framework called the Strategic Management Maturity Model (SMMM), which provides a foundation for determining strategic management maturity. The SMMM is very useful for quick assessments, but it is relatively old and needs modernization. In particular, it ignores the emerging subject of innovation, which is vital for competition in today’s changing business environment. It also mostly focuses on process improvement, which is necessary for cost optimization but is no longer a could source of competitive edge. Indeed, many argue that competition is no longer relevant (e.g., Kim & Mauborgne, 2005; Thiel, 2014). For sustainable and profitable growth, firms should create entirely new segments where they can monopolize and dominate the market for decades. However, to do so, a high-impact innovation is required.

Therefore, this article builds earlier work by the author (Demir, 2017) and the Balanced Scorecard Institute (BSCI, 2010) to provides a new maturity model, the S3M-i, that includes innovation and business model design. The S3M-i takes into account the changing dynamics of the innovation age instead of concentrating on productivity, which was the biggest concern and the most important competitive edge of the industrial age. The model proposed in this study aims to fill the gap between strategy and innovation. It is because innovation is the only driver of competition in today’s world. This aspect is the key difference between the S3M-i and the SMMM by the Balanced Scorecard Institute (BSCI, 2010). However, the expectations of the two models from a strategic management perspective are also different. The ultimate purpose of strategic management should not be continuous improvement (BSCI, 2010) but continuous innovation. Thus, there is no need to include process improvement as a separate dimension. The goal is not to improve business processes but to dominate the market. Processes should be designed and re-engineered to foster innovation. Organizations that optimize their operations and business processes are productive, but only excellent organizations are innovative.

The new model is designed to be more comprehensive and more structured than previous models. The steps of strategic management and levels of the maturity remain same; however, the dimensions of the model are updated. Seven dimensions are presented instead of five and five of the dimensions are newly proposed. Also, given that the characteristics and capabilities of organizations vary by their strategic management maturity level, new organizational types at different stages are suggested. Additionally, and more importantly, a maturity assessment chart is presented in this study. It is highly critical to determine the accurate level of maturity.

Up to this point, the development of the model has been largely qualitative (with the notable exception of the author’s quantitative assessment of 74 organizations in Turkey: Demir, 2017). Other maturity models have been examined in depth and broader analyses of interdisciplinary studies have been undertaken. The work has also been informed by careful examination of the relevant scholarly and practical literature (e.g., Baird et al., 2007; Nedella & Paun, 2009; Ries, 2011; Thiel, 2014; Valencia et al., 2010; Yarbrough et al., 2011).

Introducing the Strategic Management Maturity Model for Continuous Innovation

The need for a strategic management process

Strategic management is traditionally a three-step process that includes planning, execution, and monitoring. However, in today’s business environment, it has to go beyond just these three steps and be more comprehensive. Organizations face multiple challenges in this era. External factors such as advanced technologies, emerging demographic groups, and totally new customer behaviours shape everything dramatically and faster than ever before.

Innovation is the only way to stay up-to-date and strategic management cannot ignore it. If you cannot change the game, then you need to be satisfied with a modest growth and should feel lucky because your business has not died. Only firms that create a radical shift from existing markets and totally new business can achieve strong profitable growth.

Kim and Mauborgne (2005) argue that extraordinary companies will succeed not by competing, but by systematically creating blue oceans of niche market-space
ripe for rapid growth. The key to exceptional business success is to redefine the terms of competition and move into the “blue ocean”.

When a company slightly improves its processes and competes with existing products in the market, little value within the business is created. Thiel (2014) argues that enormous value can be created when a business creates something new and fresh.

Strategic planning is no longer only a business improvement tool; it should also be an innovation accelerator. In today’s competitive arena, companies need a more dynamic strategy, and that is possible only when innovation and strategy are linked. Strategic management must not end with the last annual meeting. The only valuable output of a strategic management process is a radically new product/service with a totally new industry and market.

It is usually considered that strategic management has five critical components: defining the business, establishing objectives, formulating the strategy, strategy implementation and execution, and evaluating performance (Nedelfa & Paun, 2009). New developments, emerging trends, changing behaviours, new rules of competition, and the complex patterns of today’s business environment should be added to classic management systems – especially the strategic management process. New elements, such as innovation, should be added to the main stages of strategic management referred to above.

Thus, this article proposes that a strategic management process should include five mandatory steps – leadership, formulation, execution, integration, and innovation – as illustrated in Figure 1. Thus, this article claims that strategic management starts with a visionary leadership, but only excellent organizations, in terms of strategic management, are innovative. Sustainable innovation requires effective planning, implementation, and measurement of results. Organizations that learn from this process constantly and align their components according to their strategy can achieve continuous innovation.

Any strategy development process must count on visible commitment from the executive team. Leaders provide the vision, set the long-term goals, and create unique values that distinguish the business and create sustainable growth. Strategic leadership starts with a comprehensive and holistic analysis, the focus of which should be on creating a strategic direction and identifying initiatives that will help the business grow. All external or internal issues that can affect goals and objectives must be examined. Leaders who have a vision but are charismatic and have strong managerial skills can provide the glue to bring people together and foster effective teamwork for common goals. The task of formulating the strategy entails taking into account all of the relevant aspects of the organization’s internal and external conditions and coming up with a detailed action plan for achieving the targeted results (Nedelfa & Paun, 2009).

To develop the action plan, priorities must be established by considering the weaknesses, needs, strengths, and competencies of the organization. In the formulation phase, goals and objectives should be determined and strategies need to be developed. Also, a comprehensive and dynamic strategic plan should be prepared to address all goals, strategies, critical success factors, and actions. A customized process for each employee should be identified so each person knows their specific task to accomplish long-term goals within a determined budget.

Successful implementation is critical to the success of the business venture. In the execution stage, organizations should be governed by their strategic plan so they can achieve the strategic goals. Strategic plans should
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be regularly revised. Everyone within the organization must have a clear understanding of their responsibilities and how that fits in with the overall strategic goals. At this stage, organizations should communicate their plan, manage the implementation of the plan, supervise the actual work, and monitor the progress.

Organizations that are continuously learning and evolving should be constantly redesigned and managed based on performance results. They apply strategies, measure results, and improve their capability continuously through a feedback loop. Also, business processes and operations are optimized in response to performance indicators. More importantly, if the overall strategy does not work with the business’ current structure, business model, and culture, a new structure should be installed, a new business model should be generated, and a new culture should be formed. In the integration stage, each component of the organization such as structure, culture, business model, processes, and systems should be aligned with the strategy (BSCI, 2010). Also, management must remember that people and other resources are not only driven by strategy, they also must apply strategies, measure results, and improve their capability continuously.

This study claims that only fully integrated and effectively managed organizations can achieve sustainable innovation. One-time breakthrough innovation may be possible; however, a plan, execution, and 360-degree integration are needed for continuous innovation. Ries (2011) argues that entrepreneurship is management and a new kind of management along with structured methodologies are necessary for innovation. Thus, innovation can be possible and predictable instead of being a lottery – but only if analysis, planning, and implementation are done effectively.

The seven dimensions of strategic management

The strategic management maturity model for innovation (S3M-i) introduced in this article is composed of seven different dimensions of strategic management:

1. Leadership
2. Planning & Executing
3. Processes & Tools
4. Structure & Model
5. People & Culture
6. Performance Management
7. Innovation

Basically, the model covers the entire process of strategic planning from visionary leadership to execution. Also, it touches each area of strategic management including strategy formulation and aligning organizational components with business strategies.

Some dimensions may require more effort along with a skilled workforce. For instance, innovative organizations require various sophisticated techniques, highly qualified teams, and advanced systems. Therefore, it might be more challenging to reach the highest level of maturity (Level 5).

Below are descriptions of the proposed seven dimensions of the strategic management process:

1. Leadership: A key aspect of strategic management is the development of a viable structure of leadership and decision making (BSCI, 2010). A full commitment of executive teams should be seen in any strategy formulation and development process (Demir, 2017). Obviously, strategic management cannot succeed without powerful leadership and full support of top management. Leaders set a common vision and make employees believe in it. Leaders work with their teams toward common goals. Strategic leaders encourage innovation at all levels and transform the business and organizational culture to become more innovative.

2. Planning & Executing: No sustainable success is possible without an effective plan. Without implementation, the strategy is merely a hallucination. A strategic plan – including goals/objectives and actions – must be prepared. Strategies should be implemented and then progress should be monitored. Excellent organizations are governed by their strategic plan, and innovation is an important part of the strategic plan. Also, strategy drives all critical decisions in such organizations.

3. Processes & Tools: Strategic management processes should be documented, regularly analyzed, and improved to start building an excellent enterprise. More importantly, processes are designed for continuous innovation in such an enterprise. The focus is not process improvement but market disruption. Therefore, processes are flexible, agile, and lean. The innovation strategy drives the re-engineering of business processes. Advanced tools and techniques are used to foster innovation. Also, all processes, operational systems, and technologies are integrated into corporate strategies.
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4. Structure & Model: This dimension refers to the organizational structure and business model. Both should support strategies. Excellent organizations align their structure and business model with corporate strategies. In other words, the organizational structure and business model are designed to achieve long-term strategic goals. Additionally, the model and the structure are tools to foster innovation. Through low hierarchy and a flat and agile organization, a dynamic, competitive, and highly innovative business model can be shaped.

5. People & Culture: Baird, Harrison, and Reeve (2007) have argued that culture and strategy should be aligned for the success of the organization. Furthermore, Valencia, Valle, and Jiménez (2010) claimed that innovation strategies are produced by advocacy culture. Finally, Yarbrough, Morgan, and Vorhies (2011) have proposed that the link between organizational culture and strategy affects the results and performance of an organization. Thus, in excellent organizations, culture is fully aligned with strategies. They are less bureaucratic; innovation is a core value, and their culture cultivates innovation. Employees in such organizations are always encouraged to come up with new ideas.

6. Performance Management: You cannot manage what you do not measure. Excellent organizations have a set of performance indicators and metrics. They routinely measure the performance of critical areas. Innovation is a key success factor. They assign key performance indicators (KPIs) for innovation activities. The most important performance indicator is the outcome of disruptive innovation such as totally new product/service, market, or business model.

7. Innovation: As important as it is to clearly design the firm’s technological strategy, it is to promote its alignment with business strategy, integrating all departments and regarding the firm’s current capabilities. Although necessary for achieving profitable solutions, strategic alignment is a commonly neglected step of the innovation process (Zawislak & Marins, 2007).

Such enterprises embed innovation in organizational culture and radical innovation is a part of their organizational DNA.

Levels of strategic management maturity for innovation
For each of the seven dimensions described above, there are six levels of strategic management maturity for innovation (Figure 2). Organizations can be assessed by evaluating the degree of performance on each of the six levels of maturity.

- **Level 0: Undefined**: Nothing is defined at this level. Things are turbulent and organizations may go through a chaotic storming stage. There is no structured strategic management process, and no one has been designated as responsible for strategic management activities. However, a strong entrepreneurial spirit is present.

- **Level 1: Initial**: At this level, an owner is assigned to strategic planning. However, the organization still does not plan things in a formal way. Some tactical plans might take a place, but leaders spend the majority of their time dealing with operational issues. Some components of the business model may be known, but no model has been fully designed. Innovation is the result of the efforts of the founders.

- **Level 2: Planned**: At this level, organizations apply a strategic plan only partially and with poor results. Business strategies are formulated. Goals and objectives are set. However, strategic management activities are undertaken by certain individuals. Rather than strategic goals, organization-wide standards
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provide guidance across business units. An innovation management process might be defined but no structured method is used.

• Level 3: Performed: At this level, a structured and comprehensive plan is in place, and formal processes and procedures are followed. People cross business units to engage in strategic management activities. Performance reviews are done regularly. Top management involves and monitors closely the pursuit of strategies. Vision, goals, and values are communicated effectively but lack of linkage between organizational culture and strategy. Organizational structure and business model may not fit strategies. Bureaucratic culture and tall organizations are common. Innovation is not a critical item on the agenda. Some incremental innovations may occur, mostly by chance or as a consequence of random activities.

• Level 4: Optimized: At this level, leaders and employees fully engage with strategic management processes. Strategic initiatives are updated regularly. Performance results are measured. Items in the strategic plan are revised according to performance reviews. The strategic direction of the organization is shifted based on performance results. The organizational structure and business model support long-term goals and strategies. Organizational culture is transforming from bureaucracy to adhocracy. The organization’s stability provides a ground for innovation. People fully engage with innovation activities but there still a gap between strategy and innovation.

• Level 5: Excellent: At this level, innovation is embedded within the culture of the organization. The innovation focus is sustainable breakthrough products/services and business models. At this level, all components of the organization are integrated very well. Innovation strategies are formulated and aligned with business strategies. The organization is finely tuned for strategic innovation.

Organization focus across maturity levels
The characteristics of organizations vary from one maturity level to another. Each level has its own organizational focus and concern. Table 1 indicates how organizational focus/type varies by maturity level. This article calls innovative those organizations that are highly capable of having strategic management with an excellent level of maturity. Only firms who are excellent in strategic management can accomplish sustainable innovation. At the beginning of their organizational life-cycle, most startups do not have a clear strategy or structured processes to execute their strategy. They might have a brilliant idea and see a big opportunity in a niche market. However, to pursue the idea and shift the organization to the next level, an organization needs more than just an entrepreneurial spirit. Planning, clear goals, defined processes, structured models, effective team management, execution, learning, and revising/redesigning consequently are necessary for high-impact innovations. But, before becoming highly innovative, organizations must first become highly effective and productive. A continuous strategic management cycle will eventually take organizations who learn from their mistakes to the top of the innovation league.

Assessing strategic management maturity for innovation using the S3M-i
An organization’s overall maturity level is important, but it is also helpful to recognize strengths and identify areas for improvement. After all, it is rare to find an organization that is uniformly mature across all dimensions. For instance, an organization might be at Level 4 for Leadership but at Level 2 for Processes & Tools. The matrix in Table 2 provides guidance for assessing the maturity level of an organization along each of the seven dimensions. The overall maturity level of the organization is the mean score across the seven dimensions, rounded to the nearest whole number. As an example, if the mean score across the seven dimensions is 2.7, the overall maturity level of that organization is Level 3.

Table 1. Organizational type/focus at each level of strategic management maturity for innovation

<table>
<thead>
<tr>
<th>Maturity Level</th>
<th>Organizational Type/Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 0: Undefined</td>
<td>Inexplicit</td>
</tr>
<tr>
<td>Level 1: Initial</td>
<td>Entrepreneurial</td>
</tr>
<tr>
<td>Level 2: Planned</td>
<td>Specified</td>
</tr>
<tr>
<td>Level 3: Performed</td>
<td>Effective</td>
</tr>
<tr>
<td>Level 4: Optimized</td>
<td>Productive</td>
</tr>
<tr>
<td>Level 5: Excellent</td>
<td>Innovative</td>
</tr>
</tbody>
</table>
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**Table 2. A matrix for assessing strategic management maturity for innovation**

<table>
<thead>
<tr>
<th>Leadership</th>
<th>Level 0: Undefined</th>
<th>Level 1: Initial</th>
<th>Level 2: Planned</th>
<th>Level 3: Performed</th>
<th>Level 4: Optimized</th>
<th>Level 5: Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No organizational awareness of strategic leadership</td>
<td>Knowledge exists, but no owner and sponsor for strategic management activities</td>
<td>An employee is assigned to strategic projects and activities</td>
<td>A team performs strategic activities; the team leader engages with other department managers</td>
<td>A particular office leads strategic management activities effectively; leaders and employees fully engage in strategic management processes</td>
<td>Strategic leadership encourages innovation at all levels; leaders transform the business and culture to become more innovative</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planning &amp; Executing</th>
<th>Level 0: Undefined</th>
<th>Level 1: Initial</th>
<th>Level 2: Planned</th>
<th>Level 3: Performed</th>
<th>Level 4: Optimized</th>
<th>Level 5: Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No organizational awareness of strategic planning</td>
<td>No strategic plan; some goals and objectives are defined</td>
<td>Strategic planning is the responsibility of one person and a strategic plan is prepared every 4-5 years</td>
<td>A structured and interactive strategic planning process exists; actions plans are developed</td>
<td>Strategic plan/actions plans are revised regularly; strategic initiatives are updated</td>
<td>Strategy drives all critical organizational decisions; innovation is an important agenda of the strategic plan</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Processes &amp; Tools</th>
<th>Level 0: Undefined</th>
<th>Level 1: Initial</th>
<th>Level 2: Planned</th>
<th>Level 3: Performed</th>
<th>Level 4: Optimized</th>
<th>Level 5: Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No process and tools for strategic management activities</td>
<td>Some ad-hoc reports and tools are used, but processes are undocumented</td>
<td>A few key processes are documented; some basic tools are used for strategic planning and management</td>
<td>All strategic management processes are mapped out and analyzed, and strategy drives process improvements</td>
<td>All strategic processes are redesigned for continuous innovation; advanced tools/methods are used for strategic planning and innovation management</td>
<td>There is a structured innovation management process; strategy guides selection of tools and technologies; all tools/systems are integrated into strategies</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Structure &amp; Model</th>
<th>Level 0: Undefined</th>
<th>Level 1: Initial</th>
<th>Level 2: Planned</th>
<th>Level 3: Performed</th>
<th>Level 4: Optimized</th>
<th>Level 5: Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational structure and business model are unknown</td>
<td>Chaotic organizational structure; some components of business model are known</td>
<td>Functional organizational structure is created; business model is defined</td>
<td>Rigid structure (hierarchy is important; tall organization); business model is not innovative; structure and model do not support strategies</td>
<td>Organizational structure and business model are redesigned to foster innovation and empower strategies; flat organization with low hierarchy</td>
<td>Organizational structure and business model are fully integrated into strategies; a unique/innovative business model; an agile structure</td>
<td></td>
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<table>
<thead>
<tr>
<th>People &amp; Culture</th>
<th>Level 0: Undefined</th>
<th>Level 1: Initial</th>
<th>Level 2: Planned</th>
<th>Level 3: Performed</th>
<th>Level 4: Optimized</th>
<th>Level 5: Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No common values and personas</td>
<td>Values are undefined; an organizational culture is not formed yet</td>
<td>People share a common vision and values are understood; innovation is a critical value</td>
<td>Vision, goals, and values are communicated; organizational culture is fully formed but culture is not linked to strategy; bureaucratic culture</td>
<td>Organizational culture is redesigned to support innovation strategies; less bureaucratic, a more adhocratic culture is forming</td>
<td>Organizational culture is fully integrated into strategies; culture is innovation focused; people are encouraged to come up with new ideas</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Performance Management</th>
<th>Level 0: Undefined</th>
<th>Level 1: Initial</th>
<th>Level 2: Planned</th>
<th>Level 3: Performed</th>
<th>Level 4: Optimized</th>
<th>Level 5: Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No assigned performance indicators</td>
<td>Few performance indicators are identified but no available data</td>
<td>All performance indicators and metrics are identified; no KPI for innovation</td>
<td>Strategic indicators are measured data collected, and overall performance is managed at a broad level; KPIs are designed for innovation activities</td>
<td>Strategic indicators are revised according to performance results; innovation performance is managed at all levels</td>
<td>Systems are implemented for disruptive innovation; performance of radical innovation is measured daily basis</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Level 0: Undefined</th>
<th>Level 1: Initial</th>
<th>Level 2: Planned</th>
<th>Level 3: Performed</th>
<th>Level 4: Optimized</th>
<th>Level 5: Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation is not a priority</td>
<td>Random innovations, not results of a structured approach</td>
<td>Innovation management process is defined but no tool and method are used for innovation</td>
<td>Innovation initiatives are started; structured innovation tools/techniques/methods are used at some organizational levels; mostly incremental innovation takes place</td>
<td>People fully engage in innovation activities at all levels; some radical innovations; semi-innovative organization; gap between strategy and innovation</td>
<td>Innovation initiatives are well aligned with corporate strategies; fully innovative organization; disruptive innovation is part of DNA</td>
<td></td>
</tr>
</tbody>
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Conclusions

To assess the maturity level of strategic management practices, this article has attempted to propose a new model by revising previous studies (BSCI, 2010; Demir, 2017). Although the S3M-i is still in a testing stage, it can help understand, analyze, and improve strategic management activities in any type of organization.

This article provides several novel contributions to the literature. First, it updates existing models and introduces a new model for identifying strategic management maturity. Even though the research literature includes maturity models for business process management, project management, and organizational maturity, no model addressed strategic management specifically. Second, this article presents a new strategic management cycle, which is more up-to-date. Third, the article also shows the type and focus of organizations at different maturity levels. Last, and maybe most important, this article highlights the importance of the link between strategy and innovation. It proposes aligning innovation with business strategies as a part of strategic management. Integration of all organizational components, especially innovation studies with corporate strategies, is critical for sustainable growth.

The S3M-i model introduced in this article aims at continuous innovation. Only those organizations that align innovation with a strategy and constantly improve strategic management activities should be considered as “excellent”. To reach an excellent level of maturity, organizations should not only prepare and implement a strategic plan but also optimize strategic management processes and align all organizational components including innovation (Demir, 2017).

This study is a further step to measure maturity levels of strategic management. However, the model introduced in this article should be tested in future studies. A number of companies with a good sample size should be assessed using results from in-depth interviews with a comprehensive question set covering all seven dimensions. Examinations with different sizes of organizations in different industries and regions are worth further consideration and analyses. Further studies are necessary to probe deeper into the measurement of strategic management practices that are highly critical for creating innovative organizations and developed economies. Overall, the study has provided valuable material for both practitioners and academics.

The S3M-i model is still in a testing phase, but it can be used for any type of organization in any industry. One of the biggest contributions of the new model is obviously the essence of innovation. It provides a foundation to integrate innovation efforts with strategic management activities throughout an organization.

About the Author

Ferhat Demir is a management lecturer, trainer, and consultant. He studied Industrial Engineering at the Sakarya University in Adapazar, Turkey. He received his Master of Business Administration (MBA) degree from Kennesaw State University and his Master of Public Policy (MPP) degree from Georgia State University in the United States. His fields of expertise and research interests include strategic management, innovation strategies, competitiveness, business models, and organizational design. He has diverse experience with large corporations, SMEs, non-profit organizations, and governmental institutions.

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http://www.balancedscorecard.org/Portals/0/PDF/BSCIstrategicManagementMaturityModel.pdf


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