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Strategic initiative portfolios: How to manage strategic challenges better than one at a time

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Abstract In many firms, strategic initiatives lead to frustration rather than performance improvements and strategic renewal. One frequently overlooked key to driving value through strategic initiatives lies in shifting the focus from launching disconnected individual strategic initiatives to managing an integrated portfolio of initiatives. This article identifies five key management practices that allow firms to address obstacles to effective initiative management and to enhance value creation through the deliberate management of initiative portfolios.

1. Introduction

In many firms, strategic initiatives shoot up like flowers in the spring—but, all too often, they are gone before long. Strategic initiatives are important, as they allow firms to tackle the various threats and opportunities in today's fast-changing business world. Indeed, recent changes in the geopolitical trade environment have created serious challenges for firms operating internationally. Technological changes and digitalization have given rise to radically new approaches and have fostered digital platforms and ecosystems. Additionally, activist investors are pushing harder than ever for better results.

However, too many firms find themselves in the following scenario. The CEO announces a new strategic initiative aimed at streamlining processes and

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improving operating performance, which is followed by another initiative aimed at increasing customer satisfaction. Soon thereafter, top management introduces another initiative to optimize the supplier network, after which the CEO presents an initiative aimed at implementing a new digital business model. Due to the importance of these initiatives, each announcement results in significant investments of organizational resources and management attention. However, within a few months, disenchantment and a struggle for resources take over, leaving managers to wonder what happened.

Although some initiatives remain on track, many do not. In some cases, powerful managers acquire additional resources to keep their initiatives going, often at the expense of other initiatives. In other cases, ambitious managers squeeze out superficial results. In still others, initiatives come to nothing or stubborn managers keep working on them long after they were formally shut down. In short, many initiatives never deliver on their promises. Instead, they fuel power battles within the firm and bind management's attention. Employees learn to sit them out and resistance to change grows. Finally, new initiatives are met with even more skepticism.

In a simplified and stylized form, this is what many firms experience despite an abundance of support from consultants and a wealth of academic writing on strategic initiatives, strategic change, and strategic renewal.[1] Typically, strategic initiatives are treated as standalone endeavors. Those responsible for an initiative naturally seek to optimize its performance, while they pay little attention to other initiatives or even compete with them. Managers tend to forget that success is the result of the combined effect of initiatives rather than the outcome of any one. Sometimes, strategic initiatives that promise positive effects on a standalone basis may not be successful or even generate value from a portfolio perspective. At the same time, initiatives that seem less important on their own may serve as platforms for the success of other initiatives. For firms, a set of strategic initiatives that are not managed from a portfolio perspective might even destroy value if the initiatives counter the effects of one another.

For more than a decade, we have studied how firms manage strategic initiatives. While past efforts have largely emphasized single initiatives, our research focuses on the portfolio level (see Appendix for details). As such, it goes beyond the impact of single initiatives to identify how firms can counter the potential frictions within a portfolio and create value beyond the simple sum of individual initiatives. Our research reveals that a crucial but often neglected factor that characterizes successful firms is a focus on enhancing the overall impact of their portfolios of initiatives. Successful firms unleash additional value by adopting a deliberate portfolio-management approach along five dimensions: timing, scope, resource allocation, interfaces, and feedback cycles.

2. From single initiatives to the portfolio of initiatives

Strategic initiatives are at the core of strategy and strategic renewal (Lovas & Ghoshal, 2000; Nag, Hambrick, & Chen, 2007), and scholarly interest in strategic initiatives has a long tradition. Ansoff (1965) already described an approach for strategy implementation in the American aerospace industry which relied on a number of impermanent initiatives requiring contributions from various organizational units. Typically, firms have multiple strategic initiatives in place, as demonstrated by several studies (e.g., Darragh & Campbell, 2001; Gerstner, Konig, Enders, & Hambrick, 2013; Klingebiel & De Meyer, 2013). Darragh and Campbell (2001) noted that some firms run up to 30 strategic initiatives simultaneously. In a similar vein, Gerstner et al. (2013) revealed a continuous increase in the average number of pharmaceutical companies' initiatives in biotechnology between 1975 and 2008.

Despite their importance and prevalence, many initiatives do not deliver on their promises. A wealth of studies has revealed various factors that can foster or impede success (e.g., Darragh & Campbell, 2001; Kreutzer, Walter, & Cardinal, 2015; Lechner & Floyd, 2007, 2012; Walter, Lechner, & Kellermanns, 2016). Darragh and Campbell (2001) suggested that objectives, clearly defined time horizons, and dedicated resources are crucial for success. Moreover, as initiatives can also emerge at lower organizational levels and deviate from the existing strategy substantially (Lovas & Ghoshal, 2000), securing sufficient resources and senior management's support are two critical factors for the success of initiatives. Notably, these studies focus on individual strategic initiatives.

These success factors for individual strategic initiatives are important. Our empirical results (see Appendix) suggest that focusing on them is insufficient because it ignores the fact that a firm's performance reflects the combined effect of

[1] For recent reviews, see Kunisch, Bartunek, Müller, and Huy (2017); Lechner and Kreutzer (2011); Müller and Kunisch (2018); and Schmitt, Raisch, and Volberda (2018).

multiple strategic initiatives rather than the results of a single initiative. Instead of focusing only on the performance of individual strategic initiatives, we argue that it is important to shift focus to the overall portfolio.

3. Five key management practices

As noted above, managing the portfolio of strategic initiatives requires a change in focus along important dimensions of initiative management as well as a set of unique management practices geared toward unlocking the value of the initiative portfolio. Specifically, our research reveals that firms successful at managing strategic initiative portfolios employ these five management practices that help shift the focus from individual initiatives to the overall portfolio level (see Figure 1 and Table 1):

1. Orchestrate the rhythm: To avoid initiative fatigue, orchestrate the sequence and frequency of strategic initiatives in a way that supports temporal flexibility and planning.

2. Diversify objectives: To avoid doing more of the same, nurture initiatives with conflicting goals that not only improve efficiency in the short run but also create a platform for growth and new business development in the long run.

3. Pool resources: To avoid resource starvation, organize resource allocation in a way that allows for flexible shifting through dedicated resource pools and resource reshuffling.

4. Configure interfaces: To avoid cross-initiative friction, reduce redundancies by exploiting linkages among autonomous initiatives.

5. Foster feedback cycles: To avoid repeating mistakes, foster rapid, cross-initiative learning and best-practice transfers in a way that recognizes initiative differences and commonalities.

3.1. Orchestrate the rhythm

The first key management practice centers on the timing and flow of initiatives. Many firms launch strategic initiatives as ad hoc responses to opportunities and threats in the environment. As a result, firms often overload the organization in times of turbulence but engage in insufficient change and development during more stable periods.

Our research reveals that successful firms avoid overload and change resistance by shifting the focus to the portfolio level, which enables them to have a sufficient number of initiatives in place to respond to emerging issues and avoid organizational overload. Consider the example of the Swiss insurer Zurich Financial Services. Because of substantial shifts in the external environment, the firm went through a period of major change in 2009. At some point, management realized that too many initiatives were competing for limited corporate resources, which created tensions and hampered progress. It made a tough

Figure 1. Shifting the focus from strategic initiatives to the portfolio

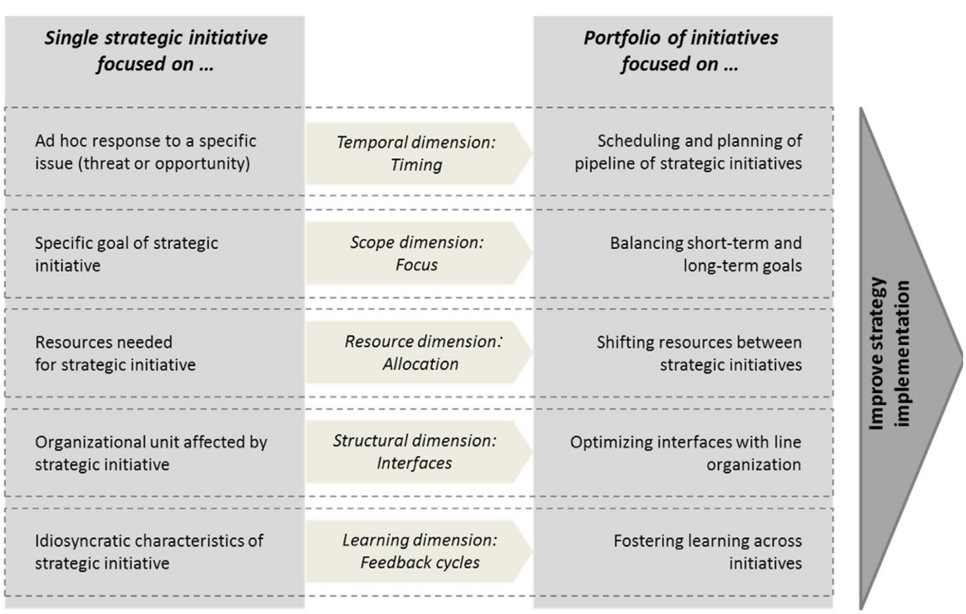

Table 1. Summary of management practices

Dimension	*Management practices*	*Exemplary activities and tools*
Timing	Orchestrate the rhythm of strategic initiatives	• Plan a rhythm that ensures the accomplishment of corporate goals but does not overload the organization • Consider sequencing or parallelizing strategic initiatives as resources allow • Consider resource needs of strategic initiatives at different stages • Consider interdependencies among strategic initiatives and follow up as initiatives evolve
Scope	Balance short-term and long-term focus	• Balance initiatives with a short-term efficiency focus with strategic initiatives focused on long-term renewal • Manage conflicting goals among strategic initiatives • Engage in screening and testing of strategic initiatives
Resource allocation	Pool resources and reshuffle among strategic initiatives	• A shared resource pool provides access to corporate and business-unit resources and allows for new resource combinations (use separated from ownership) • Flexible reallocation of resources outside the annual budgeting cycle to most crucial and promising initiatives • Resources belong to the portfolio, not the initiative
Interfaces	Configure interfaces across strategic initiatives	• Coordinate and integrate by creating interfaces across strategic initiatives • Link interdependent strategic initiatives through cross-initiative steering committees, initiative staffing, liaison roles, joint meetings, and milestone tracking • Foster frequent discussions and information sharing
Feedback cycles	Foster learning across strategic initiatives	• Learn from past mistakes • Conduct post-mortems to identify learning • Share management practices across initiatives • Create and share best-practice manuals for initiative management

decision: A new change initiative could only be launched upon the successful completion of an ongoing initiative. This not only limited the number of initiatives but also fostered the attention paid to the completion of existing ones.

An explicit policy for launching new initiatives is a first step toward a portfolio approach that best suits the rhythm of change. It explicitly limits the number and nature of initiatives pursued at any point in time and considers the resource needs of initiatives at different stages of their life cycles.

To generate a sustainable rhythm, manage interdependencies, and avoid resource bottlenecks, portfolio managers may need to slow down some initiatives or sequence them in a particular way, even when initiative heads want to push ahead with their plans (Malhotra & Hinings, 2015). This focus on timing will often allow initiatives to run in parallel and actually speed up their development beyond what uncoordinated timing could accomplish.

Consider the case of Banco Santander. Over the past 25 years, Banco Santander grew from a mid-sized, local Spanish bank into one of the world's largest and most profitable banks (e.g., Parada, Alemany, & Planellas, 2009). Banco Santander executed a carefully planned sequence of initiatives to create an expansion rhythm that allowed for rapid growth while simultaneously taking the organization's capabilities and resource constraints into consideration. Several early initiatives explored and defined a novel efficiency-oriented business model and focused on developing necessary capabilities—such as product development and marketing skills—in the bank's home market. Partly in parallel and partly following these initiatives, Banco Santander acquired small firms or allied with local partners in key foreign markets with the intention of becoming acquainted with those markets and creating platforms for international growth. These initiatives then enabled Banco Santander to rapidly integrate several large-scale acquisitions in these markets and to transfer its proven business model and skills to the acquired units. To support its rapid expansion, Santander continuously streamlined its organizational structure, updated its IT platforms, and conducted other efficiency-related initiatives.

Banco Santander serves as an example of how orchestrating the rhythm of initiatives can enhance the gains from an initiative portfolio. Successful firms do not simply launch a new strategic initiative whenever a threat or opportunity emerges. Instead, they focus on a set of initiatives and carefully orchestrate an effective change rhythm, allowing them to achieve ambitious goals without overstretching their resources.

3.2. Diversify objectives

Although the tug-of-war between short-term improvements and long-term renewal is endless, balancing efficiency and profitability with renewal and growth is crucial for all firms. When the focus is on individual initiatives, this balance is out of sight. It only becomes visible if the focus shifts to the portfolio level.

Without an explicit portfolio focus, firms tend to only launch strategic initiatives that are aimed at improving the efficiency of one or several operations, or initiatives aimed solely at fostering growth and renewal through new market entries or new business models, depending on the firm's specific situation as well as the general zeitgeist. In April 2018, the CEO of Deutsche Bank, John Cryan, was replaced after less than 3 years in office following the implementation of three turnaround plans. Although he was given credit for addressing many of the bank's problems, including numerous legal charges, stakeholders' frustration over his inability to blaze a path toward a profitable future ultimately led to his removal. The new CEO, Christian Sewing, stated in a memo shortly after taking office that "with regard to our revenues we have to regain our hunger for business" (Bloomberg, 2018).

Although mitigating current threats and exploring future opportunities are fundamentally different tasks that may require very different organizational and management capabilities, both are necessary at all times. Often, efforts to foster growth are preceded by a need to improve efficiency and create a platform for new growth initiatives. Similarly, periods of intense growth may require subsequent initiatives focused on efficiency improvements.

Firms deliberately shifting their focus to portfolios of strategic initiatives enable diverse goals to coexist with seemingly conflicting strategic initiatives. These firms recognize the need to resolve resulting goal conflicts and conflicting organizational demands, which has also been discussed under the heading of ambidexterity (e.g., Birkinshaw & Gibson, 2004; Tushman & O'Reilly, 1996; Tushman, Smith, & Binns, 2011). To do so, they keep initiatives focused on a single goal whenever possible and resolve the goal conflicts at the portfolio level through clear prioritization and intense communication of the different roles that initiatives with contradictory goals play in the firm's strategy. This reduces the number of instances in which goal conflicts need to be managed and creates a specific arena for doing so, while simultaneously maintaining a balance between a short-term and a long-term focus.

Even in times characterized by significant pressure to improve efficiency, small-scale exploratory initiatives that challenge the existing strategy and prepare the firm for emerging issues are advisable (Pratap & Saha, 2018). Such initiatives screen technologies and markets, build prototypes and pilots, or experiment with solutions and business models that might be fundamentally different from existing businesses. However, given their exploratory nature, such initiatives need to be regularly reassessed, redirected, and eventually stopped if they fail to produce benefits. When the focus is on growth initiatives, organizations are well advised to continue efficiency-enhancing initiatives in order to reduce the likelihood of wasteful complexity.

Schindler, the Swiss manufacturer of elevators and escalators, serves as an illustrative example. Schindler had long suffered from performance shortfalls while its major competitors steadily increased their profit margins. Conflicting goals and the local focus of its strong regional units kept the organization from improving. To address this situation, Schindler encouraged all regional heads to collaborate on defining a shared agenda with a limited number of topics. After an intense phase of monthly workshops, Schindler's top executives agreed on 10 shared initiatives and measures that temporarily cut across the regions. While certain initiatives such as improving the retention rate were already on some regional units' agendas, involving all regions helped generate new ideas on how Schindler could improve. Other initiatives focused on standardizing products and improving procurement. These initiatives allowed Schindler to develop tailored solutions for specific markets, such as high-growth regions in Asia or mature markets in Western Europe, while shared platforms allowed it to capture synergies in, for instance, R&D and sourcing.

In sum, our research suggests that firms are more successful when they balance diverse and even contradictory goals thanks to the shift in focus from single initiatives to the entire initiative portfolio. Improving the current business and fostering renewal and growth are two challenges that together resemble a swinging pendulum. By shifting the focus from individual initiatives to the portfolio, firms can address this fundamental dilemma and ensure that the pendulum does not swing too far.

3.3. Pool resources

The management of a portfolio of initiatives builds on a distinct approach to resource allocation. While each initiative requires enough control over resources to be able to drive implementation (Hutchison-Krupat, 2017), optimal resource allocation from a portfolio perspective often requires dynamic shifts in resources to counter resource misallocations. For example, managers in charge of an initiative are naturally focused on the success of that initiative, even if that success comes at the expense of other initiatives. Such local optimization can be avoided by also adopting a portfolio perspective on the resources needed to carry out the initiatives.

In our study, successful firms often create dedicated resource pools for their initiative portfolios. Those resources can be allocated across initiatives and dynamically reshuffled over time as the resources needed for initiatives, their prioritization, and the environment change. The pooling of resources (e.g., funds, personnel with specialized skills, technologies) separates resource use from resource ownership. When such resource pools become the responsibility of broader management teams that share responsibility for the portfolio of initiatives, the risk of individual sponsors or initiative managers shielding resources is reduced. Common resource pools also allow for the recombination of resources in novel ways and the creation of new practices.

Recent initiatives by Swiss chemical firm Clariant illustrate these ideas. When the industry faced increasing cost pressures in 2008, Clariant launched two initiatives: a restructuring initiative aimed to reduce costs with immediate cost and liquidity effects and an excellence initiative to improve the quality and efficiency of operational processes by introducing Six Sigma as a firm-wide, continuous-improvement methodology. As part of Clariant's efforts, the firm set up a common pool of specialists, consisting of corporate staff and external consultants, who were then allocated to individual initiatives to support their implementation.

In the firms we studied, common resource pools are often combined with resource-allocation processes that dynamically shift resources across initiatives as time progresses. Resource allocation is often tied to milestones rather than budget cycles, which allows resource allocation to respond flexibly to opportunities or unforeseen obstacles that rarely follow a corporate budget cycle. Similarly, in successful firms, executives are not shy about removing resources from those initiatives that are no longer a high priority or have failed to accomplish goals.

For instance, we studied a large, diversified European bank. The bank's executive board—composed of group executives and the senior management of the bank's divisions—held regular meetings about the funding of major group-level initiatives and the resources assigned to those initiatives. When the bank was hit hard by the financial crisis, these meetings allowed it to react quickly by terminating or postponing capital-intensive initiatives, refocusing other initiatives, and increasing the resources assigned to initiatives geared toward integrating divisions and cutting costs.

In sum, our research suggests that successful firms extend the portfolio focus to resource allocation by managing resources in dedicated pools and flexibly shifting resources across initiatives rather than statically assigning them.

3.4. Configure initiative interfaces

Strategic initiatives require a certain level of autonomy in order to thrive. However, the existence of too many seemingly unrelated strategic initiatives that make contradictory demands on the organization tends to create frustration. Strategic initiatives are often launched to address local business challenges or specific operations, but their impact on other parts of the organization are rarely considered. Other initiatives may have resources and a corporate-wide change mandate but are detached from the immediate needs of business units and face resistance. In other words, individual initiatives may face substantial friction due to a lack of coordination.

In order to exploit synergies on the portfolio level, the simultaneous implementation of multiple initiatives must be streamlined by creating interfaces that remove sources of friction. The management of strategic initiatives from a portfolio perspective often requires introducing coordination and integration across initiatives and with the line organization. The firms we studied did so by creating a limited number of deliberate links across initiatives and units through objective setting, cross-initiative steering committees, liaison roles, initiative staffing, and initiative-management processes that emphasized frequent communication and information sharing while not overburdening the initiatives with bureaucracy.

For instance, when Clariant launched its restructuring and excellence initiatives, management chose to carefully coordinate across the two rather than to let them compete for attention, as both initiatives addressed the same organizational units and processes. This focus on coordination helped the restructuring initiative develop solutions that were not only effective in the short term but also increased the impact of the subsequent excellence initiative as its needs were considered at an early stage.

While coordination mechanisms may reduce the autonomy of individual initiatives, they offer important benefits that more than outweigh this cost. For instance, by introducing initiatives that pursue objectives that cut across units and utilize cross-business teams, vertically oriented organizational structures are temporarily complemented with horizontal structures that force collaboration and coordination, break down silos, and reduce the likelihood of duplication. Cross-initiative steering committees and liaison roles may help resolve conflicts, allow for the coordination of the use of scarce resources, and identify potential synergies across initiatives. Moreover, through the selection of initiative leaders and initiative staff, business units that need to translate the outcomes of strategic initiatives into operational processes can facilitate the necessary buy-in and commitment to change.

The Finnish logistics and postal service company Itella (renamed Posti Group Corporation) offers an additional example of ways to streamline initiative interfaces. In 2012, Itella launched four parallel strategic initiatives to develop alternative business models for postal services, to set up its own banking operation, to expand its logistics business to Russia, and to harmonize corporate functions across regions. While these initiatives had very distinct targets, it was clear that not only would they all touch the same business units but they would also require coordination. Itella's management also understood that these initiatives would directly compete with each other for top management's attention and resources. To avoid frictions and dysfunctional power plays, management decided to have all of the initiatives report directly to the CEO, and it established a steering committee consisting of the CFO, the head of corporate strategy, and the affected business units' heads to ensure coordination among initiatives and to ease the transfer of initiative results.

In sum, our research reveals that successful firms avoid unnecessary redundancies that often fuel frustration by shifting the focus to the portfolio level. This enables them to streamline interfaces and responsibilities. When frustration is turned into positive experiences, strategic initiatives can even improve cross-business collaborations long after initiatives are completed. For instance, Swiss Life's CFO noted: "One of the important indirect benefits of our milestone initiatives was the intercultural exchange among the different business and regional units. This positive impact for cross-unit collaboration remained even after the end of the initiatives."

3.5. Foster feedback cycles across initiatives

Learning across initiatives through rapid feedback cycles is possible when the focus shifts to managing a portfolio of strategic initiatives. Much of the disenchantment with these initiatives stems from struggles to launch them or from repeated mistakes. In many cases, new initiatives start from scratch and a significant amount of time passes before the actual work begins, let alone before they yield initial results. In other cases, initiatives do not deliver on their promises because mistakes from past initiatives are repeated. While strategic initiatives may differ substantially from one another, best practices related to the design, structure, and implementation of initiatives exist. These practices can and should be shared across initiatives.

Our research reveals that successful firms benefit from fostering learning through deliberate feedback cycles across initiatives. They pride themselves on not repeating the mistakes that invariably happen in initiative implementation and they work systematically to identify and share best practices. These firms conduct postmortems at the conclusion of an initiative to identify learning and codify that learning in best-practice manuals that are shared widely. Over time, business-development personnel gain expertise in initiative management, which allows them to support initiative leaders with process knowledge. The transfer of best practices related to initiative management ensures that new strategic initiatives get off the ground faster and past mistakes are not repeated. As an added benefit, firms that capture and transfer these best practices rely less on external consultants to drive their change projects. In fact, business development frequently plays the role of an internal consultant in such firms.

Consider the example of the German industrial gases firm Linde. After Linde completed a major acquisition in 2006, corporate development staff realized that many of the practices used in the post-merger integration (PMI) could also help drive the next-stage transformation effort. Coporate-development staff systematically collected learning from the PMI initiatives, codified that learning in order to institutionalize initiative-management practices, and incorporated the feedback into the development of other initiatives in order to improve the implementation of future initiatives.

The firms we studied used a range of tools to foster learning across initiatives through feedback cycles. Some firms use a strategic-initiative handbook, which provides comprehensive advice on how to effectively manage strategic initiatives. Such handbooks describe best practices and include a range of useful templates that cover the entire lifecycle. In one firm, we observed that templates are useful in supporting the efficient management of strategic initiatives. The firm had struggled to select the most promising strategic initiatives from many proposals. However, after all of the proposals were moved to the same template and similar information was made available, the selection process improved significantly. It became much easier to compare the proposals, which increased transparency and decreased political maneuvering.

The successful firms in our study also made mistakes and had failed initiatives in their portfolios. In fact, more successful firms may not differ from less successful firms in terms of the number of mistakes they make, but rather the types of mistakes they make. These better performing firms quickly learn which practices work, enabling them to kill misguided initiatives at an earlier point. Our research clearly suggests that successful firms are obsessed about not repeating the same mistakes. Instead, by shifting the focus to the portfolio level, they enable learning across strategic initiatives and form best practices in strategic initiative management.

4. Summary

In today's business environment, strategic initiatives are important vehicles for strategic renewal in almost all firms. However, executives tend to focus excessively on individual initiatives, ignoring the benefits of the portfolio perspective. Our research highlights the need to shift focus from individual initiatives to the active management of the entire portfolio.

Our research provides evidence that a shift in focus from strategic initiatives to the portfolio of initiatives is needed. A deliberate portfolio-management approach can have positive effects. Certain portfolio-design decisions, such as those related to the number of goals and initiatives, as well as their prioritization have bearing on firms' financial performance. Firms benefit from processes that, to some extent, formalize and internalize the management of strategic-initiative portfolios.

Specifically, we identified five management practices that help increase the impact of strategic-initiative portfolios by shifting the management emphasis along five dimensions: the timing, scope, resource allocation, interfaces, and feedback cycles in a portfolio of strategic initiatives. Firms that excel in the management of strategic initiatives use these practices to balance strong individual initiatives using a portfolio-management approach that adds value without leading to complex corporate bureaucracy. Ultimately, these practices help managers foster portfolios that are more than the sum of their parts.

Appendix. About the research

This article summarizes the findings of a large-scale research project on portfolios of strategic initiatives, which comprised two broad steps. First, we conducted a large number of case studies across a broad set of industries. We interviewed corporate executives of Swiss, Dutch, German, and Finnish firms that had multiple initiatives in place in order to develop our framework. In these interviews, we focused on gaining insights into common characteristics and management practices that allow such firms to exploit their current businesses while preparing for and effectively responding to fundamental changes. All of the firms had substantial businesses in different product markets. We focused on firms from such industries as chemicals, automotive, machinery, and financial services.

Second, we analyzed the strategic initiatives of the largest European financial service firms over a 10-year period. Following prior research (Klarner & Raisch, 2013; Yeoh & Roth, 1999), we focused on one industry in order to examine strategic responses to the same upheavals and to compare these firms' portfolio designs. We chose the financial service industry because banks and insurance firms engaged in several large-scale transformations during this time, enabling us to study changes in their strategic priorities and strategic initiatives. Our focus on the financial service industry also allowed us to acquire consistent information on strategic initiatives over a prolonged period. Drawing on publicly available sources, such as annual reports and investor presentations, we analyzed more than 1,200 strategic initiatives of 75 European financial service firms. Notably, the second part of our research focused on a single industry sector. While our focus on European financial service firms limits the generalizability of our findings to other industries (external validity) and does not allow examining environmental conditions that may influence strategic initiative occurrence, this has certain advantages and allowed us to focus on internal conditions of firms in similar settings. To validate our insights, we conducted several interviews with representatives of selected Swiss and German banks and insurance firms.

In summary, our data stem from multiple industries with an extensive focus on financial service firms headquartered in Europe. Thanks to the interviews, we are confident that the insights presented here hold across a broader range of industries, including chemical, automotive, and machinery.

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