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Aligning Financial Strategy with Customer Categorization based on Environmental Scanning

Timothy Osita Anyiwe
Walden University

Walden University

COLLEGE OF MANAGEMENT AND TECHNOLOGY

This is to certify that the doctoral study by

Timothy Anyiwe

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

Review Committee
Dr. Alice Denomme Gobeille, Committee Chairperson, Doctor of Business Administration Faculty

Dr. Matthew Gonzalez, Committee Member, Doctor of Business Administration Faculty

Dr. Steven Munkeby, University Reviewer, Doctor of Business Administration Faculty

Chief Academic Officer

Eric Riedel, Ph.D.

Walden University
2012

Abstract

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MBA, Delta State University Nigeria, 2001

Doctoral Study Submitted in Partial Fulfillment

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Abstract

Inadequate environmental scanning, poor financial strategy, and misaligned customer focus are responsible for 79% of retail profitability losses. The purpose of the qualitative study using a multiple-case study design was to explore the strategies needed to align financial strategy with customer-oriented processes in the retail industry. The research question involved understanding trends and operational risks influencing the establishment of financial alignment strategies. Porter's five forces model of customer influence, Pearce's environmental and economic factors affecting society values, and Albright's strategic planning of environmental influence served as the theoretical foundations for the study. 30 executives, managers, and team leaders in 2 Midwest U.S. organizations completed interviews. Interview data were coded for emergent themes. Themes included advanced strategic planning, improved customer-buying power, enhanced business viability, and reduced business uncertainties as components of a guiding strategy needed to align financial strategy with customer-oriented processes. Implications for positive social change include increased profitability that can result in improved employment opportunities.

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Dedication

Primarily, I dedicate this study to the Lord Jesus Christ for His unconditional love and for giving me the grace to complete the doctoral journey. The dedication of this study also goes to my loving wife, Blessing Ifeanyinachukwu Anyiwe; my brilliant son, Bishop Chiemeke Anyiwe; and my adorable daughter, Evangel Chiamaka Anyiwe. Thank you for your encouragement and support, which propelled me through this tedious doctoral journey. In addition, I dedicate this project to the memories of my dear mother, Mrs. Veronica Anyiwe, and father Mr. Alfred I. Anyiwe. The wish is that you were here to witness what your son has accomplished. For sure, I am indebted to my doctoral study committee chairperson, Dr. Alice Denomme Gobeille, for the phenomenal mentoring with which she guided me in this doctoral study. You have been my mentor since the Foundations course of this program. I dedicate the successful completion of this project to you.

Acknowledgments

The effort of my doctoral study supervisory committee was instrumental to completing this project. You are awesome faculties with high-level professional dedication. The committee chairperson, Dr. Alice Denomme Gobeille, devoted much time to reviewing the drafts and sections of this doctoral study. Thank you for providing high quality, excellent doctoral mentoring. The second committee member, Dr. Matthew Gonzalez, expeditiously reviewed my doctoral study manuscript and provided insightful guidance that accelerated the pace of this project. Your inputs made a great difference by contributing to the success I am now celebrating. Thank you very much for pointing me in the right direction.

The URR for my doctoral study project, Dr. Steven Munkeby, is a knowledgeable faculty who students and fellow faculties hold in high esteem and respect. Thank you for providing exceptional insights and helping to develop my research topic. Having you as my URR is a huge honor. Thank you, Dr. Arthur Tyler, for facilitating a practical, qualitative interview exercise that influenced my research worldview. I acknowledge the DBA Program Director, Dr. Freda Turner, for her efforts in shaping the evolution of the program. I wish to thank my host organizations and study participants. The opportunity to draw from your wealth of knowledge and experience was golden. Thank you, Dr. Diane Dusick, for editing this study and contributing to my success.

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Section 1: Foundation of the Study

The purpose of this doctoral study was to explore the processes of scanning the business environment as a basis for aligning financial strategy with customer categorization practices of retail business organizations in a large city in the Midwest United States. The information on critical business trends and factors that emanate from scanning the business environment might underlie a potent approach for integrating financial strategy with marketing strategy-based customer categorization (Albright, 2004; Calandro & Flynn, 2007; Mallette, 2006). The literature contains the theoretical constructs of environmental scanning.

Researchers in environmental scanning did not address the adequacy of environmental scanning strategies as a means of aligning financial strategies with customer categorization. From 1995 to 2005, U.S. retail businesses missed revenue opportunities and sustained losses in excess of $100 million because they could not recognize future trends and potential operational risks (De Fontnovelle, Dejesus-Rueff, Jordan, & Rosengren, 2006). Accordingly, inadequate environmental scanning strategies are causing misalignment between financial strategies and customer categorization, thereby negatively affecting the potential for optimal business performance (Anwar, 2008; Mallette, 2006). Understanding the background may enable the business community to address and identify appropriate solutions.

Background of the Problem

Many organizations lack a credible structure for methodically evaluating their financial strategy to ensure compatibility with ongoing business activities (Mallette, 2006). Customers are a vital aspect of business activities. Most enterprises are using a financial strategy that poorly supports a customer-centric operation, resulting in millions of dollars of inadequate revenue generation and dismal profitability (Mallette, 2006). The absence of a credible framework points to a deficiency in the probing of the organization's external arena for identifying pertinent information or influences (Stavish, 2007).

The identified trends and factors in the business environment may be a basis for aligning financial strategy with marketing strategy-based customer categorization. Moreover, Anwar (2008) argued that environmental scanning, strategy implementation, customer focus, new service development, and competitiveness were collectively responsible for a 79% deviation from optimal performance. Accordingly, organizations' ability to optimize environmental scanning, strategy implementation, and customer focus seem far below expected levels, which thus imply a need to examine the deficiency.

The amount of financial losses resulting from deficient environmental scanning strategies, and the misalignment of financial strategy with customer categorization reflects the significance of the business problem entailed in this study (Anwar, 2008; De Fontnovelle et al., 2006; Mallette, 2006). De Fontnovelle et al. (2006) hinted that unforeseen operational risks account for millions of dollars of financial losses incurred by organizations. The focus for this doctoral study is solving a significant business problem (Maxwell & Kupczyk-Romanczuk, 2009; Walden University, 2011a, 2011c).

Some of the retail business organizations that experienced this problem include automobile makers and dealers, such as General Motors (Goldberg & Petasnick, 2010; Kelly, 2011), Ford, and Chrysler (Goodlet, 2010). The three prominent auto manufacturers did not anticipate the level of decline in consumer demand for their products prior to 2008 (Durbin, 2011; Fowler, 2010; Niedermeyer, 2010). At the same time, some retail businesses in the financial services sector did not envisage the looming shortage of operational funds (Goodlet, 2010; Hummel, 2011; Kelly, 2011; Schmidt & Harper, 2009).

The retail businesses include American International Group (AIG), J. P. Morgan Chase, American Express Company, U.S. Bancorp, Capital One Financial Group, Wachovia Bank, and Bank of America (Goodlet, 2010; Hummel, 2011; Kelly, 2011; Schmidt & Harper, 2009). General Motors (GM) and AIG failed to formulate and implement effective financial strategies and customer service practices that would ensure profitable operations in times of reduced sales and income. The organizations ended losing millions of dollars from business operations, laying off more than 1,000 employees, borrowing from the government through the Troubled Asset Relief Program (TARP), and filing for bankruptcy protection (Couch, Foster, Malone, & Black, 2011; Goldberg & Petasnick, 2010; Hummel, 2011; Kelly, 2011; Schmidt & Harper, 2009).

The financial performance of GM and AIG before and after 2008 illustrated the problem of inadequate environmental scanning strategies and misalignment of financial strategy with customer categorization. General Motors posted total sales of $178 million for the 10-year periods ending December 2007 (MSN Money, 2011b). In contrast, for the 10-year periods ending in December 2008, 2009, and 2010, GM posted declining total sales in the amounts of $148 million, $104 million, and $135 million respectively (MSN Money, 2011b). General Motors had to resort to the TARP option to stay afloat in business. Facing imminent business failure, GM filed for Chapter 11 bankruptcy protections in 2009.

Moreover, AIG posted earnings before interest and tax (EBIT) of $8 million for the 10-year period ending in December 2007 (MSN Money, 2011a). Unfortunately, for the 10-year periods ending December 2008, 2009, and 2010, AIG posted declining EBIT of $-103 million, $-14 million, and $18 million respectively (MSN Money, 2011a). To remain in business, AIG also borrowed from TARP.

Another example of the inadequacy of environmental scanning strategies is that organizations limited the activity to data collections and analysis, rather than trend identification and interpretations, as a basis for updating business plans (Kohn, 2005). Retail businesses, such as GM and AIG could not adapt their business approaches and operations to the realities of post-2007 events. The unmodified, inept business strategies of those organizations led them to dismal financial performance, as evidenced by their income statements.

The intent for this doctoral study was to address the problem of misalignment of financial strategy with customer categorization, caused by inadequate environmental scanning strategies. Organization leaders may fill the gap in effective business practice by incorporating the findings from the in-depth investigation entailed in this study, into their financial strategy development and customer categorization processes. The study results may affect positive social change by indicating effective environmental scanning strategies, which when applied by business leaders, may result in profitable business operations.

A profitable business promotes a vibrant economy, which leads to positive societal behavior. The description of the background of the problem facilitates the constructing of a problem statement for the study. The problem statement is a definition of the contextual issues and dilemma explored in the study.

Problem Statement

Environmental scanning inadequately supports the processes for financial strategy and marketing strategy-based customer categorization (Davies, 2008). Environmental scanning, strategy implementation, and customer focus among other factors are responsible for 79% of the total variance from target business performance (Anwar, 2008). The general business problem addressed in this doctoral study is that retail businesses miss revenue opportunities and sustain losses in excess of $100 million every decade because of an inability to recognize future trends and potential operational risks, resulting from inadequate environmental scanning strategies (De Fontnovelle et al., 2006). The specific problem addressed in this study is retail businesses' financial strategy is not in alignment with marketing strategy-based customer categorization because of inadequate environmental scanning strategies within these organizations (Mallette, 2006).

Purpose Statement

The purpose of this qualitative study using a multiple-case study design was to explore the integration of environmental scanning into the processes of financial strategy and customer categorization of retail businesses in a large city in the Midwest United States. Some of the retail businesses experiencing the problem of inadequate environmental scanning strategies, and misalignment of financial strategies with customer categorization have large operations in the geographic location of the study. The research design incorporated data triangulation to ensure trustworthiness of the study (Stavish, 2007).

The population group consisted of retail businesses because the problem studied affected the retail industry. The study results may benefit retail businesses in the intended geographic location by streamlining their environmental scanning activity. Business leaders and organizations in other sectors of the U.S economy may use the study results to improve their business process, trend related information analysis, financial strategy formulation, targeting of customers, and market positioning. The study results may affect positive social change by creating opportunities for profitable business operations. The gainful employment opportunities that may emanate from the study may improve the welfare of the society.

Nature of the Study

The discussion in this subsection indicates the research method and design for this doctoral study. The research method is the qualitative method, which is a means of exploring the meanings and themes of an incident's phenomena (Stavish, 2007). The research design for the inquiry is the multiple-case study design, which facilitates a detailed investigation into the contextual phenomenon (Stavish, 2007; Williams, 2007).

The need to explore the problem of misalignment of financial strategy with customer categorization, from the perspectives of the study participants, informed the selection of the qualitative method (Gelo, Braakmann, & Benetka, 2008). Learning from the participants' views of the problem facilitated an enriched understanding of the issues under investigation. A qualitative method, therefore, enabled the design of a participant-oriented research, which was critical for addressing the problem and purpose statements of the doctoral study. Conversely, a quantitative method, used for evaluating objective theories by examining relationships among variables or differences between groups was not suitable for the exploratory-focused inquiry (Gelo et al., 2008; Stavish, 2007). The need to understand the problem from the views of the participants precluded the use of the quantitative method that employs a predictive hypothesis.

The need for in-depth exploration of the misalignment of financial strategy with customer categorization, as indicated in the problem and purpose statements and research question predicated the selection of a multiple-case study design (Yin, 2009). Multiple-case study design is the blueprint that connects the elements of this research, thereby enabling the finding of answers to the research question. The multiple-case study design enabled the employment of cross-case synthesis data analysis in this research, which increased the potential for more findings than would be available in a single-case study (Yin, 2009). A multiple-case study design was the most appropriate qualitative design for this inquiry because of its orientation towards practical business application.

Research Question

The research question for this inquiry is: how does environmental scanning support an effective financial strategy compatible with customer categorization? The research question indicates the quality and nature of empirical evidence with which to address the problem statement (Creswell, 2007; Koro-Ljungberg & Hayes, 2010). The study research question informed a critical review of the existing literature, which in turn led to the development of appropriate interview questions that guided the effort of answering the inquiry question. Appendix A consists of the qualitative instrument with the following interview questions:

1. Explain in detail the process of gathering and using business intelligence data;
2. Explain in detail the processes of determining viable offerings, markets, revenue potentials, product development funding, and customer-product satisfaction;
3. Describe the process of identifying and creating new business solutions;

4. Describe in detail the process of determining the funding requirements for your business operations;
5. How does profitability contribute to the funding of your business operations;
6. Describe the process of determining the finance option for funding different business operations;
7. Describe the process of evaluating customer satisfaction for your business;
8. Explain how you adapt your business to the prevailing market needs and conditions; and
9. Describe the basis for your organization's competitive edge in the marketplace.

The research question assisted in the identification of key concepts of the study. Relevant, fundamental concepts shaped the formation and conduct of this study. The prevailing conceptual frameworks foreshadowed potential propositions that underlie themes and data analysis in the study.

Conceptual Framework

Seven conceptual frameworks explained in the subsection both ground and complement this business research. The discussion of the conceptual foundations indicates the management concept, author, date, use in another study, and the applicability of the concept to this inquiry. Figure 1 depicts the major elements and conceptual frameworks of the study.

The conceptual frameworks that ground this study include the informed strategic planning process by Albright (2004), the five forces model by Porter (2008), sustainable development by O. Pearce (2008), and a learning organization by Stacy (2007) (see Figure 1). As indicated in Figure 1, the study conceptual frameworks also include complex adaptive systems by Carlisle and McMillan (2006); social change and corporate social responsibility by Aguilera, Rupp, Williams, and Ganapathi (2007); and the market orientation by Anwar (2008).

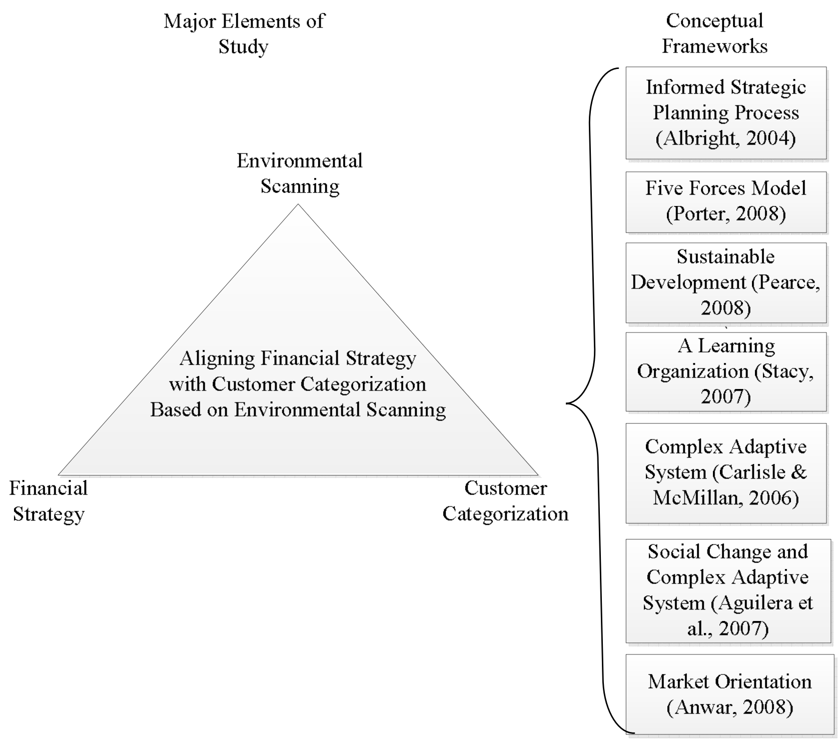

Figure 1. Major elements and conceptual frameworks.

The first conceptual framework for the study suggests that environmental scanning activity enhances the strategic planning process of an organization (Albright, 2004). Environmental scanning enables business managers to focus on the market and effectively plan their operations (Albright, 2004). Elci (2009) used this concept to define environmental scanning in a related study. The connection of environmental scanning activity for effective business operations as implied in this framework was insightful in shaping the direction of the research. The concept enabled the inquiry to generate relevant knowledge for enhancing business operations.

Porter (2008) developed the second conceptual framework that guided the study. Porter articulated five forces that set the tone of competitiveness in the industry as the "threat of new entrants, threat of substitutes, bargaining power of suppliers, bargaining power of buyers, and competitive rivalry" (p. 80). Porter posited that the knowledge of these forces would enable an organization to develop a competitive position based on focus strategy, differentiation, or cost leadership.

Zonooz, Farzam, Satarifar, and Bakhshi (2011) used the five forces concept to analyze the implications of competitiveness of small and medium scale enterprises. Porter's (2008) concept has a fundamental implication for this study because it identified buyers' influence on the business environment. The concept also indicates the impact of customers on the profitability of business organizations. Porter's concept, therefore, was a basis for researching the adequacy of strategies for identifying, obtaining, and interpreting information about customers in the external environment. The information was a means of aligning financial strategy with customer categorization.

Sustainable development concept advocated by O. Pearce (2008) is the third conceptual framework that complements the doctoral study. O. Pearce remarked that sustainable development entails harmonizing economic, environmental, and social needs, and integrating them into the organizational decision-making process. Thus, changes in environmental and social conditions have an impact on economic activities and business performance (Senge, Smith, Kruschwitz, Laur, & Schley, 2008). The concept implies environmental and market intelligence is the bedrock of business success (Boons, 2008; Senge et al., 2008).

Dewan (2011) used the concept of sustainable development to examine the monetary and non-monetary indicators of sustainable level of human development. Adequate environmental scanning strategies may be instrumental in assessing and monitoring environmental deterioration and societal tastes or preferences. Sustainable development concept, therefore, is germane to this study, as it may facilitate the alignment of financial strategy with customer categorization. In addition, obtaining information about the current demand in the market is part of the centerpiece of the study.

The concept of a learning organization espoused by Stacy (2007) is the fourth conceptual framework that grounds the study. The concept indicates that change results from a process of organizational learning and knowledge creation (Stacy, 2007). The concept asserts that knowledge creation and learning opportunities enable an organization to build core competencies and capability, essential elements of effective strategies (Hamel & Prahalad, 2005; Luecke, 2005). Aktharsha and Anisa (2011) used the concept of a learning organization to evaluate the ideals of knowledge management systems.

Awareness of the environmental influences and circumstances will enhance organizational learning and efficiency (Kaplan & Norton, 2008). Organizational learning includes gleaning information from environmental scanning and the trends and factors that shape the economic landscape. Moreover, environmental scanning activity facilitates the exploitation of positive changes, resulting from knowledge-oriented organizational learning process. The concept of a learning organization is relevant to this research in that the tenets of the concept are implicit in the study.

The complexity concept propounded by Carlisle and McMillan (2006) is the fifth conceptual framework that guided the study project. Carlisle and McMillan posited that organizations are complex adaptive systems, and that chaotic conditions underlie sporadic and emergent changes in the organizational environment. The radical changes that result from complex adaptive systems can only be effectively managed and positively exploited if coupled with radical innovation, not just incremental innovation suitable for stable conditions (Carlisle & McMillan, 2006).

Understanding the radical changes associated with complex adaptive systems may enable leadership to rely less on prescriptive top-down approaches, and seek more flexible, emergent, experimental, or deliberate strategy options (Carlisle & McMillan, 2006). Sharfman and Shaft (2011) employed the complexity concept in studying the effect of extreme uncertainty on decision-making. The complexity concept is useful to this study because adequate environmental scanning may enable the discovery and the emergence of an appropriate learning process, which may assist in managing chaotic-conditions-based radical changes (Plowman et al., 2007; Stacy, 2007).

The concept of social change and corporate social responsibility (CSR) enunciated by Aguilera et al. (2007) is the sixth conceptual framework that guided the doctoral study. The concept implies that business systems encompassing individuals, groups, organizations, economies, and nations interact to provide mutual benefits in terms of social change and CSR for the constituents (Aguilera et al., 2007). Arevalo (2010) employed the concept of CSR in an empirical observation of global active citizenship. The concept indicates that an organization and its stakeholders are systems with varying needs and interests.

Organizations use CSR initiative to enhance the welfare of component systems and a climate of successful business operations. Thus, organizations have a potential to use the results from this doctoral study to effect social change by influencing the connected systems. The concept of social change and corporate social responsibility, therefore, is germane to the doctoral study.

The market orientation concept advocated by Anwar (2008) is the seventh conceptual framework that complements the doctoral study. Anwar observed that the central theme of the concept was the adaptation of business operations to the needs of the customers. The focal point of the market orientation concept is gathering market intelligence, analyzing, and applying the information to improve the organization's position in the market (Anwar, 2008).

Dursun and Kilic (2011) used the market orientation concept to examine the influence of customer orientation. The alignment of financial strategy with customer categorization will promote the collection of customer information. The concept of market orientation, therefore, is applicable to this doctoral study. Moreover, the concept defined some market orientation parameters that informed the design of this study.

The seven conceptual foundations predicated the conduct of this research. The ideas from related literature informed the concepts. The literature review, therefore, contains an expanded discussion of the succinct relevance of the identified conceptual frameworks for the study. Moreover, the conceptual frameworks were the basis for developing potential themes and propositions for comparison with emerging patterns in the study. The doctoral study involves the use of some terms that may be unique to the audience. The definition of the terms will enhance the comprehension of the readers of this study.

Definition of Terms

The operational definition of terms listed in this subsection refers to technical terms, jargons, or special word uses unique to the doctoral study. Peer-reviewed scholarly sources informed the definitions.

Business intelligence: The awareness of the factors and trends in the business environment that have potential, significant effects on the operations of a business organization (Albright, 2004; Elci, 2009).

Competitive advantage: The ability to provide superior performance or greater value to customers than rivals in the market, enabling an organization to achieve higher than average profitability (Porter, 1996, 2008).

Customer categorization: Marketing strategy-based classification or grouping of customers to ensure the identification of individual needs of high-profile customers, and the efficient satisfaction of the needs (Anwar, 2008; Calandro & Flynn, 2007).

Customer satisfaction: The conduct of a business practice in a manner capable of creating value for customers (Calandro & Flynn, 2007).

Environmental scanning: The act of identifying, obtaining, and interpreting information on factors and trends in the business environment, which influences the pattern of business operations and customer behavior (Albright, 2004).

Environmental scanning strategies: The plans or approaches for ensuring that environmental scanning activity generates accurate information and interpretation, as a basis for predicting future business needs or processes in relation to perceived customers' demand (Calandro & Flynn, 2007; Hallin & Marnburg, 2007; Kohn, 2005; Porter, 1996).

Financial strategy: The plan for adequate funding of business operations, which facilitates the attainment of profit goals and satisfaction of predetermined customers' requirements (Calandro & Flynn, 2007; Mallette, 2006; Petre, 2008).

Innovation: The creation of novel ideas, approaches, or technologies capable of enhancing the quality of a product or improving process efficiency (Christensen, 2003; Estrin, 2009; Kim & Mauborgne, 2001; Luecke, 2003; Van de Ven, 1986).

Investment opportunities: The creation of strategic offerings, such as products, services, and financial resources, with which to meet the needs of the market (Muhammad, Jantan, & Taib, 2009; Ngamkroeckjoti & Speece, 2008).

Market orientation: Focusing business activities on the realities and patterns of the market (Anwar, 2008).

Retail business: A profit-oriented enterprise that sells or provides goods or services to end user customers, and substantially funds its operations from profitability (Aw & Soo, 2010; Song, 2011; Sorescu, Frambach, Singh, Rangaswamy, & Bridges, 2011).

Small and medium scale enterprises (SME): Organizations employing no more than 200 workers (Sunday, 2011).

The operational definition of terms may positively affect the readability of the doctoral study. The provided explanation of the technical terms, jargons, or uncommon word uses may eliminate any potential ambiguity relating to the terms. The definition of terms highlights the interrelationships that exist among the components of the intended study.

Some assumptions are implicit in this doctoral study. Likewise, some factors outside my control created legitimate limitations for the study. Some delimitations defined the parameters of this study.

Assumptions, Limitations, and Delimitations

The focus for this subsection is to discuss unverified facts assumed true and incorporated into the doctoral study. The discussions include mitigation of the risks associated with the assumptions. The assumptions consist of resources for environmental scanning, compatible corporate culture, business priority, effective training process, and the existence of skills and capabilities.

The limitations or potential weaknesses of the study are part of the discussions in this subsection. The limitations include possible dishonesty of the participants, insufficient time to conduct the study, availability of potential project participants, and insufficient financial resources. Finally, this subsection includes a description of bounds and scope of the study. The delimitations comprise the geographical location of the study, a focus on retail businesses, and narrowed population and research-site organizations for the study.

Assumptions

The first assumption is that most organizations have potential resources to engage in environmental scanning and related strategies. The assumption is an understood fact because organizations currently use resources for other activities. Some of those resources can be channeled to environmental scanning activity and development of strategies. If resources cannot be allocated to the environmental scanning effort, there might be a risk of not realizing the value of the study. As mitigation, an emphasis of the potential benefits of the study might be an incentive to allocate commensurate resources to the activity.

The second assumption is that most business enterprises have a culture that will support an environmental scanning activity. The culture of the organizations will be flexible enough to adjust to the process of environmental scanning strategies. The basis for this fact is that business competition generates an impetus for fine-tuning corporate culture. However, an incompatible organizational culture will present a risk that might threaten this assumption. As mitigation, the recommendations highlight the pertinence of a benign corporate culture as a vital ingredient for implementing the study.

The third assumption is that most top managers see the satisfaction of their customers as the first business priority. Thus, the focal point of business operations and existence of the enterprise is customer satisfaction. The assumption is a fact because retail businesses need customers' patronage to survive. Hence, poor customer service and relationships might jeopardize the values of the study. The importance of satisfying customers' needs emphasized in the study might enable business managers to alleviate the risk.

The fourth assumption is that the training process of most organizations will facilitate the transition to effective environmental scanning strategies. The implementation of the study recommendations may require substantial changes to the current processes and procedures. The basis for this fact is that successful organizations predicate their growth and effectiveness on strong training processes. Inadequate training procedures, however, might be a hindrance in the implementation of the study. As mitigation, the study results indicate recommendations for updating existing training programs, which might correct any deficiencies identified in the process.

The fifth assumption is that organizations have the skills and capability to exploit the trends and factors identified through an environmental scanning activity. The assumption is true because skills and capability underlie most organization's competence. The risk of incompetence, however, might result from not possessing a sufficient organizational skill set to implement the study. As mitigation, the necessary skills and capability can be acquired in a reasonable time. Alternatively, knowledgeable consultants from outside the organization can lead or provide the initiatives for exploiting the benefits of the study (Perchthold & Sutton, 2010).

Limitations

Some potential limitations may be associated with the study. First, the doctoral study depended on the honesty of the participants. Incorrect responses or falsification of material evidence by the study participants, therefore, will limit the outcome of the research severely.

Second, the approval to conduct the field research from the Institutional Review Board (IRB) had a 1-year expiration date (Walden University, 2011b). Consequently, all data collection needed to be completed in that period. Time factor was a legitimate limitation for the study in that there might have been insufficient time to complete the in-depth investigations intended in the research.

The availability of potential project participants was the third limiting factor for the study. The Institutional Review Board requires voluntary participation in the project (Walden University, 2011b). Thus, I recruited only individuals who willingly consented to participate in the research project.

The challenge of finding eligible voluntary participants slowed the pace of the project. The fourth limitation for the study was insufficient financial resources required for conducting the study. The personal funding of the project meant that the study must stay within the identified budget. Funding constraints posed limitations to exploring additional viable empirical evidence for the study.

Delimitations

The bounds of the study are worthy of description. First, the geographical location of the study, a large Midwest city, bounded the research. Locations outside the Midwest city were not in the scope of the proposed study. Consequently, careful considerations may be needed before applying the results of the study to geographical locations outside the area envisaged in the study (Creswell, 2007).

Second, although the project outcome might benefit most organizations, the primary focus for the project is the retail businesses that substantially fund their business operations from internally generated customer revenue proceeds (Badulescu, 2010; Calandro & Flynn, 2007; Mallette, 2006). Nonretail business organizations were not in the scope of the study. Hence, some paradigms or aspects of business activity unrelated to retail businesses may have been overlooked in the study.

Third, the population of the study comprised small and medium enterprises (SME) with employees ranging from 100 to 200 (Sunday, 2011). Two research site organizations participated in the study. Some contexts or characteristics of organizations other than the two selected sites may not have been considered in reaching the conclusions of the study (Denzin & Lincoln, 2005).

The assumptions analyzed in this subsection are facts that may be true. The facts may present some risks to the study as they are unverified materials. Commensurate basis for mitigating the risks will complement the assumptions. The investigations of only a part of the entire business process, the need for the expertise and acumen for implementation, and the potential conflict with business processes not investigated are potential weaknesses of the study.

The study delimitations include geographic location, a focus on retail businesses, and the selection of only two research site organizations. The inquiry has significant business practice improvement potentials that elevate its pertinence. The research may create value for businesses and advance social change endeavors.

Significance of the Study

The purpose of this inquiry was to explore environmental scanning strategies, as a means of aligning financial strategy with customer categorization. The value and social effect of this study to business is the discussion in this subsection. The discussion includes using the study to reduce gaps in the understanding and effective practice of business. The subsection indicates how the study results may contribute to positive social change and improvement in business practices. The value of the inquiry reflects in its potential to facilitate improvement in environmental scanning practices, financial strategy formulation, and customer satisfaction. The contribution to economic wellbeing of the society in terms of increased profitability and expansion of employment opportunities, which would result from using the study findings, defines its social effect.

Value to Business and Social Impact

The doctoral study may be of benefit to business leaders in the host organizations, retail businesses, and organizations in general. Business leaders may use this study results to eliminate 79% of the factors impeding optimal performance (Anwar, 2008). Firms may be able to exploit elusive revenue opportunities and avoid income deficits in excess of $100 million every decade when they implement the study recommendations (De Fontnovelle et al., 2006). The local community of the host city and society may also benefit from the value of the research. The results of the study may enhance business environment scanning practices, trend-related information analysis, financial strategy formulation, targeting of customers, and market positioning. The study recommendations may inspire effective strategic planning processes in the leaders of retail businesses. The findings from the inquiry may have value in ensuring business success and survival for the host organizations and retail businesses. Thus, because of the research, the local community of the host city may benefit from flourishing business activities by achieving increased income levels, employment, and development of the community. The enhanced profitability of firms stemming from the study may affect business competition and reduce the consumer price index, which may in turn improve the purchasing power of the society.

The doctoral study is insightful in understanding the competitive edge in the marketplace, as it enables an organization to monitor and analyze its industry (Porter, 2008). Thus, a financially struggling organization may transform its operations and attain an enviable leadership position in the market based on the insights from the study. Governmental departments may use the information from the study to identify the nature of competition and economic activities in industries of interest for the purposes of projecting revenue and economic development. Nongovernmental organizations and interest groups may intensify their pressure on business organizations to be compliant with sustainability practices based on the information emerging from the application of this doctoral study (Pearce, 2008; Stacy, 2007).

Contribution to Effective Practice of Business

The current gaps in the understanding and effective practice of business include inadequate integration of environmental scanning into alignment of financial strategy with customer categorization, and insufficient connection of strategic planning to financial strategy and customer categorization processes. Additional gaps are the poor relationship of the bargaining power of buyers to internally generated operating funds, and the effect of the disharmony between business activities and societal needs on the profitability of business entities. Other gaps include insufficient capacity for using a learning organization to enhance environmental scanning activities, and substandard linkage of environmental scanning to understanding and managing chaotic organizational conditions. Finally, current gaps include the satisfaction of customers' needs as a basis for affecting social change and the precedence of customer-stakeholder over shareholders or owners.

The research findings may help in addressing some of the identified gaps by informing a plausible basis for integrating environmental scanning into financial strategy formulation and customer categorization. The intent for this study was to recommend an environmental scanning practice that may enable business managers to focus on the market and effectively plan their operations (Albright, 2004). The purpose of the research was to reinforce the primacy of customers in transaction relationships. The inquiry facilitates the pursuit of increased profitability and internally generated funds. Organizations, therefore, may refrain from seeking burdensome borrowed funds for their business operations.

Business leaders may use this study results to boost the integration of a learning process into environmental scanning, allowing them to interpret, disseminate, and promptly act on identified trends and factors in the business environment. The leaders may also use the study results to advance the concept of using environmental scanning-based business intelligence to manage chaotic conditions, emanating from *self-organizations* of complex adaptive systems. The research may be a foundation for linking customer satisfaction to social change.

Contributions to Positive Social Change

Organizations consist of stakeholders from different parts of the society (Freeman & McVea, 2001; Wheeler, Colbert, & Freeman, 2003). Accordingly, organizational changes have a direct impact on the societal agents who comprise the entity (Robertson, Lamin, & Livanis, 2010). The society is an indirect target for the positive organizational changes intended in the study. Employment opportunities are one envisaged social change anticipated in the study. Increased profitability and business success resulting from using the study results may expand hiring positions in organizations, and increase employee empowerment. Consequently, the negative tendencies associated with unemployment, such as poverty, crime, and political instability may subside by deploying the study recommendations.

The anticipated benefits from the study include the potential for an increase in the purchasing power of society. The saturation of employment opportunities occasioned by the study may intensify competition for workers among the employers, which may in turn push the earning power of the employees. Hence, the standard of living and economic wellbeing of the society may improve because of using the study. The doctoral study results, when applied may enable increased economic development because of the assessment of higher taxes and fees on rising profits and incomes designated to development projects that benefit the society. The purpose of the study was to create an opportunity for boosting the productivity of the populace through efficient performance, leading to increased Gross Domestic Product (GDP) and prosperity of the nation.

The improvement of organizational performance is synonymous with an increase in workers' productivity in terms of volume and quality of output (Akpan, 2011; Belay, Helo, Takala, & Kasie, 2011). The pride of belonging to an economically strong nation inspires confidence in the citizenry and motivates positive behavior. Thus, influencing social change through improving business practice is the linchpin of this study. Improved income levels in the society driven by the study recommendations may positively affect human conditions. The research findings may inform a plausible change in social conditions by facilitating efficient business activities. Business culture may improve remarkably, as organizations find the courage to stop unconscionable practices.

A Review of the Professional and Academic Literature

The literature review in this study incorporates 184 peer-reviewed references; 157 of them were materials published in the last 3-5 years. The purpose of this study was to explore the use of adequate environmental scanning strategies to formulate effective financial strategy that aligns with customer categorization. The research question for the study is: how does environmental scanning support an effective financial strategy compatible with customer categorization? Accordingly, environmental scanning, financial strategy, and customer categorization are the key issues explored in this qualitative study. The first part of the literature review discussion indicates the searched databases and indexes, fruitful search terms and strings, a table of sources and a diagram of the approach for literature research, and an outline of the main topics and subtopics of the literature review.

Documentation

The search of the Walden Library online databases enabled the retrieval of peer-reviewed scholarly materials relevant to the concepts of the study. The databases searched are ProQuest, Academic Search Complete, ABI/INFORM Global, PsycInfo, Education Research Complete, ERIC, and Business Source Complete. The strategies used to retrieve relevant materials included searching by keywords, subject terms, Boolean search, date of publications, scholarly or peer-reviewed sources, and concurrent search of multiple databases.

The key words and subject terms that predicated successful searches include environmental scanning, financial strategy, customer satisfaction, retail business, financial performance, professional doctorate, market orientation, entrepreneurship, and business success. Fruitful search strings included the use of operations *and, or* to combine a subject term and date of publication. The first search of the databases generated 13,950 articles, dissertations, books, and other materials related to the topic area and research process.

The search parameters were narrowed further based on recent publication dates and scholarly sources, to restrict or exclude some of the materials. Consequently, the second search yielded 534 resources from the databases. The multiple adjustments of the criteria used in retrieving the materials led to the identification of 207 sources that succinctly relate to the study. The literature review encompassed relevant pedagogical constructs on environmental scanning, financial strategy, and customer categorization as well as the subtopics of the study. Table 1 indicates the sources of academic materials employed in the literature review.

Table 1

Synopsis of Sources in the Literature Review

Reference Type	Total	Fewer than 5 years	Greater than 5 years
Research-based peer reviewed journals	176	150	26
Dissertations	7	6	1
Conference proceedings	1	1	0
Germinal and contemporary books	14	3	11
Websites	9	8	1

Aligning Financial Strategy with Customer Categorization based on Environmental Scanning

The topic of the proposed study, Aligning Financial Strategy with Customer Categorization based on Environmental Scanning is the focus for the literature review in this subsection. The main topics of the literature review are environmental scanning, financial strategy, and customer categorization. Additional items in the outline are the subtopics of the review. For environmental scanning, the subtopics include business intelligence, investment opportunities, and innovativeness.

The subtopics for financial strategy consist of funding business operations, profitability, and capital structure. The subtopics for customer categorization comprise customer satisfaction, market orientation, and competitive advantage. Figure 2 depicts the structure of the literature review and functions as an aid to understanding the organization of the literature reviewed.

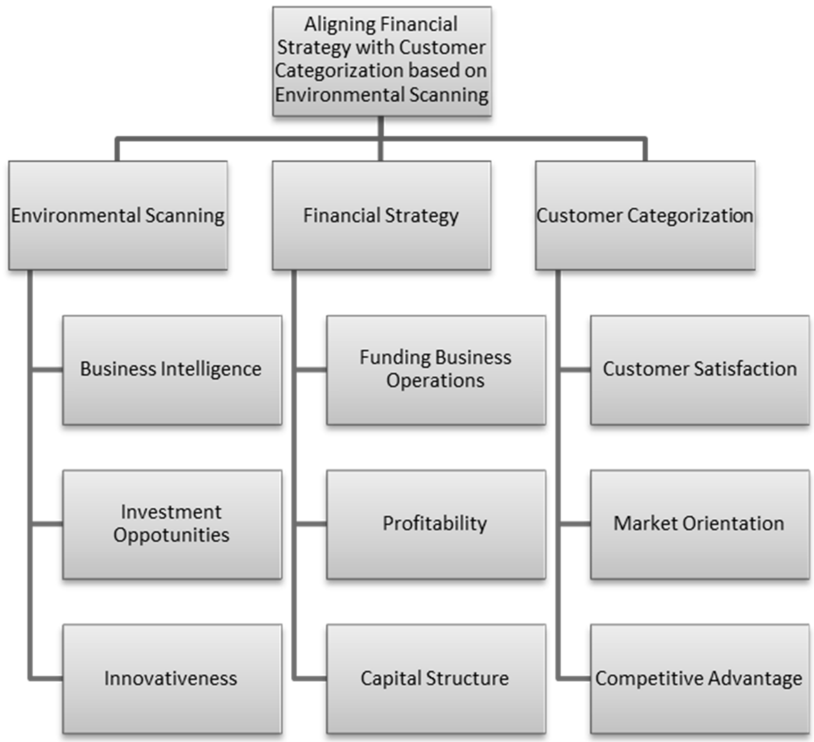

Figure 2. Structure of the literature review.

Synopsis of the Literature Review

The extant literature contains largely the theoretical constructs of environmental scanning and its integration into strategic planning practices. The empirical evidence from the domain indicates that environmental scanning aids strategic planning, facilitates profitability, positively affects new product development and leads to high-quality investment decision (Li, Tse, & Gu, 2006; Muhammad et al., 2009; Ngamkroeckjoti & Speece, 2008). However, the adequacy of environmental scanning strategies and their relationship with customer categorization or orientation have not been thoroughly addressed by researchers in the domain, indicating a need to supplement the extant literature (Davies, 2008). In addition, the existing literature indicated a need to augment environmental scanning, strategy implementation, customer focus, new service development, and competitiveness (Anwar, 2008; Lester & Parnell, 2008; Liao, Welsch, & Stoica, 2008).

However, it is unclear how an increase in one factor will affect or support the rest of the factors. Perhaps this gap in literature informed the suggestion by Muhammad et al. (2009), who stated that subsequent researchers need to review the effects of environmental scanning. Moreover, Davies (2008) recommended that future researchers investigate the role of environmental scanning in building strong customer relationships.

The risks of leaving these problems unaddressed are enormous. Retail businesses would lack a basis for generating relevant and accurate information that underlie critical business intelligence and decision making (Min, Min, Joo, & Kim, 2009). The organizations would not have a platform for adapting identified crucial trends and factors to business operations, thereby not recouping the cost of acquiring the information (Mallette, 2006).

The retail businesses may operate with a set of financial strategies that do not match or align with the focus for customer categorization (Anwar, 2008; Calandro & Flynn, 2007). The competitiveness and viability of some of the organizations may continue to decline (Axson, 2011; Hallin & Marnburg, 2007). Thus, the organizations that will thrive and succeed in the future are those that excel in obtaining adequate and timely information (Min, Min, Joo et al., 2009; Park, Lee, Turner, & Kilbourne, 2011).

Moreover, Gliddon (2006) discoursed that some leaders could not plan and implement inventive solutions because of insufficient market intelligence.

The significance of the applied business problem in this inquiry apparently becomes known from the conclusions of other scholars. Min, Min, and Joo (2009) published that insufficient information apparatus for diagnosing environmental factors was causing businesses to use inept basis and standards for measuring their financial efficiency and growth. Thus, the organizations compete against their rivals without up-to-date, valid, and reliable information (Min, Min, & Joo, 2009). Some organizations engage in environmental scanning only when there is a sense of emergency grounded in perceived threat because of the limitation in the process for formal scanning of the environment in those organizations (Stavish, 2007).

Business enterprises operate with impotent strategic, financial management, and elusive strategic financial goals because of poor analysis of the environment (Liu, 2010b). Unsuccessful strategic financial management often leads to poor financing of business operations, unproductive capital employed or reduced profit margin, and inability to exploit opportunities (Liu, 2010b). Elci (2009) opined that environmental scanning accelerates continual innovations by enabling an organization to tap into the value systems and knowledge base outside the entity. Therefore, ineffective environmental scanning stifles aggressive or radical innovation.

Moreover, the pervasive need for strategic planning in all facets of organizational development depends on environmental scanning activities for success (Dixon, 2008;

Earle, 2009; Williams, 2007). Some corporate entities lack strong executive foresight capacity, which can be sharpened with input from environmental scanning (Clemens, 2009). Business managers may use the study results to fill the gap in effective business practice by improving their competence and proficiency with environmental scanning strategies as well as aligning financial strategy with customer categorization.

Literature Review of Environmental Scanning

Environmental scanning is the first main topic explored in this literature review. Environmental scanning is the act of identifying, obtaining, and interpreting information about factors and trends in the external environment that might influence the pattern of business operations and customer behavior (Albright, 2004). Three critical subtopics emerged from environmental scanning: (a) business intelligence, (b) investment opportunity, and (c) innovativeness. Business intelligence creates awareness of environmental factors and trends that may affect effective business operation (Elci, 2009).

Investment opportunities enable business organizations to use the information and awareness from business intelligence to create strategic offerings (Muhammad et al., 2009; Ngamkroeckjoti & Speece, 2008). Innovativeness enables organizations to create novel ideas or technology capable of enhancing product quality or process efficiency (Christensen, 2003; Estrin, 2009). A review of the literature related to the three areas enabled thorough insights into the existing knowledge in the domain of environmental scanning. The literature review of environmental scanning, therefore, consists of the analysis of business intelligence, investment opportunities, and innovativeness.

Business intelligence. The literature review of the first sub-topic of environmental scanning is the focus for discussion in this subsection. The discussion includes the history, current practice, and gaps in the application of business intelligence. The review of the literature relating to business intelligence informed the identification of a potential interview question for the study. Business intelligence is the awareness of the factors and trends in the business environment that have potential, significant effects on the operations of a business organization (Albright, 2004; Elci, 2009).

History of business intelligence. The evolution of business intelligence is traceable to the principles of scientific management propounded in the early 1900s by scholars of management theory, such as Henri Fayol and Fredrick Taylor. Fayol (1949) articulated a classical management theory that identified the elements of management practice. The principles of management advocated by Fayol included planning, organizing, controlling, and coordinating the functions and activities of an establishment. Business intelligence has roots in the planning function of an organization (Pawar & Sharda, 1997) because it predicates effective planning (Elci, 2009). An organization that fails to integrate business intelligence into its planning processes might operate without relevant information about the business environment (Earle, 2009; Li et al., 2006; Trainer, 2004).

Elci (2009) stated that environmental scanning developed into business intelligence activity and strategic planning. Elci implied that business intelligence is synonymous with environmental scanning and strategic planning. The views of Elci is antithetical to Kohn's (2005) observation, which indicated that environmental scanning does not end with business intelligence activity, but includes the use of the ensuing information. In the same vein, Davies (2008) remarked that environmental scanning entails both gathering information and applying the information to a business process. Gathering information and applying information are separate activities within the environmental scanning function.

Business intelligence facilitates information gathering, but the information does not translate into business solutions without managerial actions. Business intelligence, therefore, is a subset of environmental scanning because it does not facilitate all the activities of environmental scanning. Business intelligence also relates to the other principles of management in that it generates critical information used for organizing, controlling, and coordinating the activities of a business organization. Elci (2009) discussed that General Electric, Sears, and Motorola employed the tenets of management principles-based business intelligence in their business activities.

Taylor (1911) defined management efficiency in terms of the structure and systems employed in the organization. Taylor observed that an organized structure coupled with effective systems facilitated management performance. Accordingly, efficient structure or logical business systems might inform a strategy that underlies the achievement of competitive advantage by an organization (Mintzberg, 1978). Consequently, business intelligence emerged as a management tool used to generate critical information for addressing the need for a competitive business structure and operating systems (Kaplan & Norton, 2008; Pearce & Robinson, 2003; Porter, 2008; Stavish, 2007). Thus, business intelligence drives the management tools used for ensuring organizational efficiency such as the analysis of strengths, weaknesses, opportunities, and strengths (SWOT) (Elci, 2009; Porter & Millar, 1985; Schulz & Hofer, 1999).

Current practice of business intelligence. Clemens (2009) observed that business intelligence expands executives' foresight capacity, as it underlies the process for understanding relevant information about commercial environment influences on business operations. Clemens' view is consistent with the conclusion of Albright (2004), who remarked that business intelligence would enable the leaders of an organization to develop insights into future environmental factors and trends. Albright's remarks informed the first conceptual framework for this study, which suggests that environmental scanning activities enhances the strategic planning process of an organization.

Developing effective executive foresight capacity is indispensable for dealing with the challenges of rapid change and uncertainty (Brunstein & Filho, 2011; Clemens, 2009). Leaders of organizations can foresee future adversities or opportunities through business intelligence. L. Li et al. (2006) observed that business intelligence promotes an aspiration for entrepreneurial business. The implications of L. Li et al.'s views are that business intelligence not only enhances the foresight of current executives as observed by Clemens, but it also enhances the foresight of potential business entrepreneurs, even before becoming executives.

Clemens (2009) used a qualitative case study research method to explore the processes of environmental scanning and foresight development in public sector settings. The intent for this doctoral study was to explore the integration of environmental scanning into the process of aligning financial strategy with customer categorization, in the context of the private sector, using a qualitative case study method. Clemens' observation on the use of environmental scanning to cultivate executive foresight is relevant to this study.

Earle (2009) opined that business intelligence is the foundation for strategic planning, implying that business intelligence is an independent activity that precedes strategic planning. Earle's observation corroborates Albright's (2004) remarks, which informed the first conceptual framework for this study: environmental scanning activity enhances the strategic planning process of an organization. In contrast, however, Elci (2009) stated that environmental scanning developed into business intelligence and strategic planning.

Scholars, including Calandro and Flynn (2007), Kohn (2005), and Mallette (2006) unanimously posited that business intelligence is the basis for formulating financial strategy, and identifying potential customers for an organization's products and services.

Business intelligence, therefore, enables business managers to focus their financial strategies and operating plans on overcoming future threats or exploiting anticipated advantages (Albright, 2004; Dixon, 2008; Earle, 2009; Williams, 2007). Accordingly, business intelligence fosters a proactive approach to managing relationships with customers, in recognition of the bargaining power of buyers (Porter, 2008), which is the second conceptual framework for this study.

The observations of Calandro and Flynn (2007), Earle (2009), Kohn (2005), and Mallette (2006) are consistent with the first conceptual framework for this study that suggests that environmental scanning enables strategic planning. Kohn used a qualitative case study design to investigate the practical use of business intelligence to create new products in the European car manufacturing industry. Kohn's study results indicated that acquiring business intelligence is just one component of environmental scanning.
The other component of environmental scanning involves using the information garnered with business intelligence activities. Kohn's (2005) study relates to this qualitative case study inquiry because of the similarity of views about business intelligence. Mallette (2006) used a case study research design to identify a disparity between financial strategy and business activities. Mallette's study is the source of the specific problem explored in this doctoral case study research.

Business intelligence informs organizational learning, a foundation for knowledge management (Dasgupta & Gupta, 2009). Stacy (2007) discoursed that business entities use the theory of a learning organization to create and maintain strategic skills and competence. Stacy, however, contrasted the concept of a learning organization from the classical strategic choice model that associates organizational strategy with the rational choice of leaders. The rational choice approach assumes that leaders can predict the future and so will be able to regulate or control the activities of the organization.

The ambivalence of the environment and uncertainties associated with the future create limitations for the control and predictive assumptions implicit in the rational choice model (Stacy, 2007). The shortcomings of the classical strategic choice model spurred the popularity of the concept of a learning organization. Stacy's observation informed the fourth conceptual framework for this study, which indicates that change results from a process of organizational learning and knowledge creation.

The information emanating from business intelligence ensures the relevance of various learning approaches and training programs (Dasgupta & Gupta, 2009; Roux & Oosthuizen, 2010). The culture of collaboration implicit in a learning organization enables quick adaptation and response to changes. The commitment to organizational learning creates motivation and encourages group dynamics, essential for effective organizational performance (Plowman et al., 2007; Stacy, 2007).

Carlisle and McMillan (2006) stated that short-term exploitation of knowledge leads to the skills and competencies required for immediate competition, while long-term exploration of knowledge enables an organization to build the capabilities needed for future opportunities. Exploitation learning enables incremental innovation, while exploration learning supports radical innovation (Carlisle & McMillan, 2006).

Azadegan, Dooley, Carter, and Carter (2008) complemented Carlisle and McMillan's views by indicating that organizational learning enables a manufacturer to expand its capacity to absorb innovation-based knowledge from its supplier.

Business intelligence informs the acquisition of both exploitation and exploration knowledge, needed for immediate and future opportunities. Business intelligence, therefore, facilitates both incremental and radical innovation. Azadegan et al. (2008) recommended the use of a case study in future research to validate their propositions on organizational learning and innovation. The doctoral study involves a case study research design used to investigate the capability of organizational learning to create changes.

The uncertainties associated with increasing changes in the business environment (Axson, 2011; Hallin & Marnburg, 2007; Min, Min, Joo et al., 2009; Sankaran, Tay, & Orr, 2009) make business intelligence a requisite for current business practices, as it creates inimitability for practitioners. Carlisle and McMillan (2006) hinted that the radical changes stemming from self-organizations of complex adaptive systems affect the economic landscape. The fifth conceptual framework for this study emerged from the complexity concept, suggesting that organizations operate under chaotic conditions, driven by the self-organizations of its subsystems. The self-organizing interactions involved in a complex system invoke emergent, radical, pervasive actions, and responses that shape or transform the entire organization.

Self-organization means that agents interact locally based on their initiatives and principles, while emergence infuses a sense of order into the chaotic environment. In contrast to Carlisle and McMillan's (2006) observation that self-organizations of complex adaptive systems affect the economic landscape, Boons (2008) stated that the linkages between organizations in the large system provide external control that regulates internal self-organizations of individual systems, reducing environmental impact. In the same vein, Stacy (2007) indicated that the group dynamics in a learning organization encourages interactions within and between systems, which shape the environment.

Previewing potential changes in customers' circumstances such as background or business performance can precipitate the contemplation of shifts in financial strategy. The anxieties associated with the changing business environment can be curtailed by predicting the factors and timing of their occurrence (Li et al., 2006; Liao et al., 2008). The investigation of the adequacy of business intelligence, therefore, may enhance business practices (Boud & Tennant, 2006; Bourner, Ruggeri-Stevens, & Bareham, 2000; Burian, Rogerson, & Maffei, 2010; Lester, 2004; Maxwell & Kupczyk-Romanczuk, 2009; Neumann, 2005; Walden University, 2011a, 2011d).

Nestle Purina PetCare Company (NPPC) is a Malcolm Baldrige National Quality Award recipient in 2010. The company used business intelligence techniques to gather prevailing market information, which enhanced its strategic foresight and planning effectiveness (National Institute of Standards and Technology, 2011g). Business intelligence enhances the foresight capability of organizational leaders.

Nestle Purina PetCare Company's business intelligence techniques include market research, customer suggestions, and labor capability analysis (National Institute of Standards and Technology, 2011g). The sources of intelligence inform the company's strategic planning process, which culminate in an annual plan, a 3-year plan, and a three-to-five-year strategy (National Institute of Standards and Technology, 2011g). Successful business intelligence activities enable an enterprise to penetrate potential markets and develop crucial relationships with prospective customers.

The practice of business intelligence by NPPC promoted customer loyalty to the organization's product, and elevated the volume of revenue generated in 2010 (National Institute of Standards and Technology, 2011g). The company's market share increased by about 10% in a decade; it has led the pet care industry in sales volume for many years (National Institute of Standards and Technology, 2011g). To attest to its business success, NPPC won a 2010 Malcolm National Baldrige Quality Award.

Another 2010 Malcolm National Baldrige Quality Award recipient, Freese and Nichols, Incorporated, included the tracking of potential trends and factors that may affect its business operations in its strategic planning process (National Institute of Standards and Technology, 2011b). Freese and Nichols, Incorporated, instituted a year-long strategic planning process that indicated major focus areas, high-priority milestones, and evaluation basis (National Institute of Standards and Technology, 2011b). All segments of the company participated in the strategic planning process, including the top echelon of the organization, which evaluated the potential impacts of trends and changes in the nearest future (National Institute of Standards and Technology, 2011b).

Environmental scanning activities enhance the strategic planning process of an organization. The practice of business intelligence enabled Freese and Nichols, Incorporated, to outperform the industry benchmark by 10% in 2009 (National Institute of Standards and Technology, 2011b). The company's 2010 National Malcolm Baldrige Quality Award is a testimony to its successful accomplishments.

Gaps in business intelligence applications. The current practice of business intelligence has remarkable shortcoming in aligning financial strategy with customer categorization (Mallette, 2006). Business intelligence practice seems to end at informing the formulation of financial strategy and the identification of customers' needs, as it does not predicate a frequent evaluation and refinement of financial strategy and customer categorization (Mallette, 2006). In this context, Kohn (2005) argued that the gathering of information relating to business trends and factors should not be the end of business intelligence.

Anwar (2008) identified inefficient business intelligence as one reason for suboptimal performance, implying a need to examine the deficiency, which is the focal point of this doctoral study. Some organizations engage in environmental scanning-based business intelligence only when there is an emergency or perceived threat (Stavish, 2007). Accordingly, such business organizations have not institutionalized the practice of business intelligence, which results in a half-hazard approach to environmental threats and opportunities (Davies, 2008).

Summary of business intelligence. The tenets of scientific management, propounded by the pioneers in the field of management underlie the root of business intelligence. Business intelligence creates awareness of the factors and trends in the business environment capable of influencing organizational operations. Organizations currently use business intelligence to develop executive foresight capacity, formulate financial strategy, identify potential customers, and manage uncertainties associated with rapid environmental changes. Unfortunately, the current practice of business intelligence does not facilitate the alignment of financial strategy with customer categorization.

The practice of business intelligence only in times of emergency or perceived threats reflects a haphazard approach to responding to environmental issues. Finally, business intelligence informs investment opportunities, as the information garnered by business intelligence enables an organization to develop relevant, viable offerings for the market. The analysis and review of extant literature in the domain of business intelligence precipitates the first interview question: explain in detail the process of gathering and using business intelligence data.

Investment opportunities. Investment opportunities discussed in this literature review pertains to using business intelligence information to develop products and services (Davies, 2008; Kohn, 2005). Mergers, acquisitions, investments in joint ventures, and establishing controlling interests in other retail organizations are outside the scope of the discussions. For the purposes of this study, investment opportunities connote the creation of strategic offerings to the market, in terms of products, services, and financial resources (Muhammad et al., 2009; Ngamkroeckjoti & Speece, 2008).

Environmental scanning-based business intelligence predicates the identification of investment opportunities, as it facilitates the probing of the business environment in search of the most profitable investment outlets (Jaworski & Kohli, 1993; Narver & Slater, 1990). The history, current practice, and gaps in the application of investment opportunities are the focus for discussion in this part of the literature review. The review also indicates an interview question that guided the conduct of the study.

History of investment opportunities. Investment opportunity has roots in the principles of behavioral management propounded by behavioral scientists such as Peter Drucker. Drucker (1954) remarked that the products and services offered to customers define business organizations. Davies (2008) corroborated Drucker's remarks by positing that the primary business of an enterprise is to develop products and services that meet customers' expectations.

Essentially, the purpose of a business organization is to create values for its customers and other stakeholders (Freeman & McVea, 2001; Robertson et al., 2010; Wheeler et al., 2003). Organizations, therefore, have a responsibility to identify the appropriate business venture in which they can provide adequate offerings to the market, and generate satisfactory profitability (Davies, 2008). The success of an organization may depend on engaging in a suitable investment opportunity (Gerhard, Brem, Baccarella, & Voigt, 2011; Vandenbosch & Huff, 1997).

Drucker's (1954) remarks translated into the modern market research used to preview the feasibility and viability of potential investment opportunities. Market research information identifies investment opportunities by indicating unfulfilled needs of the market (Jaworski & Kohli, 1993). Hu, Woods, Bastin, Cox, and You (2011) declared that market research underlies a successful creation of customer satisfying products. Investment opportunities, therefore, have a market orientation, as the intent is to fulfill unmet customer's needs.

L. Li et al. (2006) observed that an entrepreneurial-oriented organization is more radical in scanning its environment for investment opportunities than a conservative firm. L. Li et al. hinted that conservative organizations are not very keen in environmental scanning because they operate in stable conditions. Ngamkroeckjoti and Speece (2008) implied a similar view by stating that environmental scanning is critical in a rapidly changing environment.

The degree of environmental turbulence may vary between organizations; however, each enterprise experiences some level of environmental change (Boons, 2008; Carlisle & McMillan, 2006; Plowman et al., 2007). The intensity of exploiting potential investment opportunities may not be at the same level for all organizations. Successful organizations such as 3M and Dell Computer used market research to create forward-looking investment opportunities that catapulted their business earnings to the top of industry performance (Von Hippel, 1986; Von Hippel, Thomke, & Sonnack, 2001).

Current practice of investment opportunities. Ngamkroeckjoti and Speece (2008) noted that the application of a business intelligence-informed investment opportunity enables enterprises to develop successful products that may be a basis for achieving competitive advantage. An organization can predicate its business strategy on investment opportunities, by developing products and services that lead to a differentiation in the market, or enable a low cost advantage. Porter (1996) opined that an entity could outperform its competitors by achieving a low cost advantage in the industry, or by differentiating its products or services in the market.

Chen, Chan, and Cheng (2011) opined that differentiation of offerings is a potent competitive weapon. Leick (2011) hinted that a low-cost advantage creates an opportunity to expand target markets. The success of investment opportunities may be synonymous with the success of the business organization. Chen et al. employed a case study research design in their investigation of a seamless strategy for a click and mortar bookstore. Case study design was the basis for exploring the alignment of financial strategy with customer categorization in this doctoral study.

Muhammad et al. (2009) asserted that investment opportunities enable business leaders to make high-quality investment decisions that enhance profitability. The use of business intelligence as a platform for investment opportunities elevates the quality of investment decisions. The business intelligence-informed investment opportunities create profitable operations, which promote business viability.

Investment opportunities, therefore, may be the difference between a successful venture and an inept enterprise. Hinrichs (2010) observed, however, that business success depends on the ability to achieve a viable performance consistently. Continuous viability is the bedrock for sustainability (Hinrichs, 2010). The successful creation of strategic offerings-based investment opportunities might be insufficient to yield business viability.

The investment opportunities must translate into a revenue level that exceeds associated operating expenses. Environmental scanning activity, therefore, does not end with business intelligence and investment opportunities. Environmental scanning includes initiating creative ideas for translating investment opportunities into profitability. Innovativeness accelerates business success (Hinrichs, 2010).

Hinrichs' (2010) case study method and results created deep insights into the potentials for this research. Muhammad et al. (2009) noted that the use of convenience sampling might affect the external validity of their study. The doctoral study involved both convenience and purposeful samplings; however, the multiple contexts of the two participating retail businesses predicate its generalizability.

The practice of investment opportunities facilitates strategy implementation and accomplishment of corporate goals (El-Ansary, 2006; Hahn & Powers, 2010). Business strategy illuminates the process of achieving organizational goals and attaining corporate missions. The bottom line of most business strategies is achieving superior performance in satisfying customers' needs for products and services (Davies, 2008; Porter, 2008).

Luecke (2005) discoursed that strategy formulation is tantamount to dreaming if implementation of the strategy does not receive appropriate or commensurate consideration. In the same vein, Hahn and Powers (2010) posited that Porter's (2008) generic strategy types, consisting of cost leadership, differentiation, and focus might produce limited results if uncoupled with compatible implementation capability. An organization can implement its business strategy by creating suitable offerings that will excel in the market or lead to superior cost efficiency. Investment opportunities, therefore, are enablers of sustainable competitive advantage.

Effective strategy implementation is implicit in sustainability, which Hinrichs (2010) described as entailing persistent efficient performance. Hahn and Powers (2010) explored a strategy formulation and implementation approach in their study. Strategy formulation and impacts on customers were part of the processes explored in this study. Securing customer loyalty for newly developed products is an arduous task because of other competing products in the market (Porter, 2008).

Relevant information garnered from analyzing investment opportunities is the basis for funding the growth of new products (De Waal, Maritz, & Shieh, 2010; Hartley, 2011; Kandybin, 2009). Organizations use investment opportunities to gain a competitive edge in the marketplace by developing products that best address the needs of the market (Hamel & Prahalad, 2005; Porter, 2008). Efficient practice of investment opportunities, therefore, may be a basis for expanding customer base and market segments (Siddiqi, 2011).

The success of investment opportunity manifests in the form of substantial internally generated funds, and reduction of the need for borrowed funds (Badulescu, 2010; Liu, 2010b; Mukhopadhyay & Amirkhalkhali, 2010; Salawu, 2009). Business intelligence is the basis for investment opportunity, which in turn informs both financial strategy and customer categorization (Calandro & Flynn, 2007; Chesbrough & Euchner, 2011; Mallette, 2006). Businesses use investment opportunities to create value for customers (Sorescu et al., 2011). Investment opportunities, therefore, may be a basis for eliciting customer loyalty (Fuxiang & Yuhui, 2011).

Muhammad et al. (2009), however, observed that the essence of investment opportunity is to ensure profitability and business success. Likewise, Mukhopadhyay and Amirkhalkhali (2010) hinted that the desire for profitability cause organizations to use investment opportunity as a basis for deterring potential competitors. The respective views of Mukhopadhyay and Amirkhalkhali, Muhammad et al., and Sorescu et al. (2011) may be harmonious in that profitability and business success emanate from efficiently satisfying customers' needs (Calandro & Flynn, 2007).

Continual changes in consumers' tastes and preferences underlie the need to expand or refine the product offerings or mix of business entities (Foster, 2011; Fuxiang & Yuhui, 2011; Letens, Farris, & Van Aken, 2011). Developing investment opportunities sometimes involves collaborations among autonomous organizations

(Azadegan et al., 2008; Cassivi, Hadaya, Lefebvre, & Lefebvre, 2008). Investment opportunities potentials, therefore, cause business partners to integrate their autonomous value chains into a supply chain relationship (Soosay, Hyland, & Ferrer, 2008; Wisma, 2008; Wisner & Choon, 2000). Stakeholders in a supply chain relationship collaborate beyond transaction obligations (Den Butter & Linse, 2008; Schulz & Hofer, 1999; Storey, Emberson, Godsell, & Harrison, 2006).

Apple Computers Company is an organization that used investment opportunities to accelerate profitability. Apple Computers Company initially struggled in its profitability at inception in 1976 until it developed industry-dominating products including the Mac computer, iPod, iTunes, and iPhone (Finkle & Mallin, 2010). Apple Computers Company intensified its investment in information technology by pioneering the development of high-quality products. Based on its successful products, Apple Computer Company led the industry and its shares sold at about $200 per share in 2007 (Finkle & Mallin, 2010).

Investment opportunities enabled Apple Computers to emerge as an information technology industry giant. Finkle and Mallin (2010) reported that the company's success with investment opportunities enabled it to amass enormous liquidity without borrowing funds. Apple Computer Company's success story validates the propositions that investment opportunities (a) facilitates the development of successful products, (b) enhances profitability and viability, (c) facilitates strategy implementation, (d) elicits customer loyalty, and (e) enables adequate generation of internal funds.

MEDRAD, Incorporated, is a Malcolm Baldrige National Quality Award winner for 2010. The company employed investment opportunities in the making of medical devices, by which it developed cost-efficient fluid injection systems, endovascular devices, and magnetic resonance imaging (National Institute of Standards and Technology, 2011e). Business leaders at MEDRAD, Incorporated, focused on the needs of their target market with a goal of meeting customers' expectations (National Institute of Standards and Technology, 2011e).

The satisfaction of customers is a critical element of successful investment opportunity. MEDRAD, Incorporated, employed business intelligence in gathering customer-related information, by which it created excellent products and complementary, erudite customer service (National Institute of Standards and Technology, 2011e). The absence of effective business intelligence makes the accomplishment of successful investment opportunities an impossible task. Investment opportunities underlined the jump in MEDRAD's revenue by $505 million from 1997 to 2009 (National Institute of Standards and Technology, 2011e).

Gaps in investment opportunities applications. The current practice of investment opportunities does not facilitate the generation of sufficient internal funds from business operations because of the misalignment of financial strategy with customer categorization (Anwar, 2008; Mallette, 2006). The orientation of investment opportunities is more on generating revenue than increasing profitability (Dixit, Karna, & Sharma, 2009). Unfortunately, financial viability and excess of revenue over expenses is the basis for a long-time successful business operation (Dixit et al., 2009; Koleda & Lace, 2010). The inability to recoup the cost of investment opportunities from profitable operations forced business entities to resort to borrowed funds (Badulescu, 2010; Liu, 2010b; Mukhopadhyay & Amirkhalkhali, 2010; Salawu, 2009).

Summary of investment opportunities. Investment opportunity is the development of product or service offerings used in achieving profitable operations. Business intelligence function of environmental scanning generates relevant information used in analyzing potential investment opportunities. The work of the frontrunners in the field of behavioral management, such as Peter Drucker, was instrumental in shaping the modern practice of investment opportunity. Organizations use investment opportunity to create values for customers by offering relevant goods and services.

Effective exploitation of investment opportunities causes autonomous entities to collaborate beyond the transaction relationship. Unfortunately, unprofitable investment opportunity activities force organizations to seek borrowed funds for their operations. Creative ideas are the basis for operationalizing investment opportunities.

The employment of ingenuity in developing market offerings makes investment opportunities a means of attaining sustainable competitive advantage. Investment opportunities, therefore, precipitate innovative thinking. The second interview question emanated from the review of the literature on investment opportunities: explain in detail the processes of determining viable offerings, markets, revenue potentials, product development funding, and customer-product satisfaction.

Innovativeness. Innovation entails creating novel ideas or approaches, or developing technologies capable of enhancing the quality of a product or improving process efficiency (Christensen, 2003; Estrin, 2009; Kim & Mauborgne, 2001; Luecke, 2003; Van de Ven, 1986). Technological innovation underlies the emancipation efforts of a progressive or vibrant society (Estrin, 2009). The literature review in this subsection includes a discussion of history, current practice, and gaps in the application of innovativeness. The review led to the identification of an interview question used for collecting data.

History of innovativeness. Idea generation characterized the origin of innovativeness (Hargadon & Sutton, 2000). T. Brown (2008) discoursed that innovation involves creating new ideas, not repackaging existing solutions. The quest for enhanced living conditions in the society that dates from the existence of humanity is foundational to the innovativeness of organizations (Estrin, 2009; Kim & Mauborgne, 2001). Organizational innovativeness evolved from two prominent strategic theories: the capability logic and the guerilla logic (Lengnick-Hall & Wolff, 1999). The capability logic indicates that the possession of a superior knowhow in the provision of goods or services to customers may enable an enterprise to dominate the competition (Lengnick-Hall & Wolff, 1999; Porter, 1996).

Consequently, innovation-enabling skills and assets are the basis for outstanding performance and achieving sustainable competitive advantage (Hamel & Prahalad, 2005; Schulz & Hofer, 1999). The capability logic is the premise for incremental innovation used in enhancing the efficacy of existing innovation. The enhancement of the current innovation revitalizes and extends its performance in its declining stage, when potentially threatening superior innovations are emerging (Anonymous, 2011; Christensen, 2003; Estrin, 2009; Kaafarani & Stevenson, 2011; Kim & Mauborgne, 2001; Luecke, 2003).

In this context, upgrading existing technology by means of incremental innovation might contradict T. Brown's (2008) philosophy about repackaging existing solutions. The argument that existing technology may serve as critical input for extending the state of innovation is legitimate. A fundamental characteristic of innovation is increased capability, either achieved by incrementing existing solutions or developing a radical and revolutionary technology.

The guerilla logic suggests that the ability to introduce a solution that radically alters the nature of competition in the industry by displacing existing alternatives, and may enable an organization to emerge as the industry leader (Lengnick-Hall & Wolff, 1999). The guerilla logic is the platform for radical innovation that disrupts existing innovations in the industry. T. Brown's (2008) concept of creating new ideas seems to be indicative that T. Brown is a proponent of breakthrough innovations. The linchpin of innovation, however, is the advancement of knowhow and capabilities (O'Connor, 2009).

Gliddon (2006) posited that an innovation has a notable quality of empowering an entity. Gliddon further remarked that the empowerment might emanate from developing new products or enhancing the capability of existing offerings. The ideas in every innovation must be new, but the ensuing solutions may embody existing options. A successful radical innovation subordinates other innovations in the industry by relegating them to the status of incremental innovation, as their continued usefulness may depend on piecemeal enhancement of their performance (Kaafarani & Stevenson, 2011; Suciu & Petrescu-Prahova, 2011).

Historically, the development of a breakthrough innovation creates an impetus and springboard for developing a higher technology with superior capability (Elci, 2009). The disk drives developed by IBM in 1961, 1971, and 1973 attracted competing organizations into the disk drive industry in 1976, including Fujitsu, Hitachi, and NEC (Christensen, 2003). Moreover, the development of the Internet technology revolutionized the innovativeness of business organizations, in that it spurred many pioneering innovations (Cassivi et al., 2008; Celuch, Walz, Saxby, & Ehlen, 2011; Estrin, 2009). The Internet is catalytic to trendsetting innovations, as it essentially defined the beginning of a new generation of humanity.

Current practice of innovativeness. Business organizations use innovativeness to build critical skills, capabilities, and competencies required for business success (Elci, 2009; Gliddon, 2006; Hamel & Prahalad, 2005; Tuulenmäki & Välikangas, 2011). Efficient organizational performance depends on the deployment of capable human, material, and physical resources. Innovativeness, therefore, enables organizations to equip or empower their personnel with relevant skills and knowhow for results-oriented performance. Gill, Mathur, Sharma, and Bhutani (2011) observed that when employees are not sufficiently empowered, organizations experience deficient customer service, poor quality performance, and high-labor costs.

In this context, employee empowerment translates into organizational empowerment, as employees represent the competence and ability of an enterprise. Yang and Coates (2010) posited that the satisfaction of customer-contact employees is critical in eliciting customer satisfaction-related performance. Kantabutra and Vimolratana (2010) corroborated the relationship between employee satisfaction and customer satisfaction, as observed by Yang and Coates. Innovativeness is a means of boosting the morale of a workforce by sharpening their creative skills and expanding their intellectual capacity.

C. Liu (2010a) identified human resources as intellectual capital used to achieve and sustain innovations, enabling an organization to be successful. Martin (2007) noted, however, that creativity thrives only in a flexible organizational atmosphere that encourages pragmatic thinking and approaches. A status quo-oriented organization repels innovativeness. Martin's view suggested that innovativeness might not be popular in every organization, as some leaders resent the risks associated with innovation.

Organizations use innovativeness to create superior insights and ideas that enable them to outperform their competitors in the market (Dervitsiotis, 2010; Hauser, Loiskandl, & Wurzinger, 2011; Porter, 2008; Suciu & Petrescu-Prahova, 2011). Innovativeness can be an effective business strategy for generating supernormal profitability and dominating the market (Bolinao, 2009; Soosay et al., 2008; Tan, Fischer, Mitchell, & Phan, 2009; Wisma, 2008). Innovativeness, therefore, is an enabler of sustainable competitive advantage.

Estrin (2009), however, discoursed that an overly focus on technology as a strategic approach binds a business entity to its current customer base, thereby constraining it from advancing into an emerging, more-rewarding innovation. In the same vein, O'Connor (2009) indicated that the short life cycle of most initiatives makes an innovation-predicated business strategy vulnerable to competitors. The views of Estrin and O'Connor suggested that while innovativeness may support business strategies, it should not constitute the centerpiece of an entity's existence.

A company that has no backup to its innovation-based strategy may incur irreparable losses by the emergence of a superior, disruptive technology. Christensen (2003) explained that many organizations in the disk drive industry in the 1960s and 1970s failed because of their excess pursuit of technology advantage. The improvement in organizational performance resulting from innovativeness translates into an increase in workers' productivity in terms of volume and quality of output (Akpan, 2011; Belay et al., 2011; Ramakrishnan & Testani, 2010).

High-quality performance enables a business to differentiate itself from the competition (De Waal et al., 2010; Hartley, 2011). Unfortunately, Martin (2007) observed that the orientations of business executives and innovation developers might present hiccups in innovation process. Business executives are less inclined to employ a radical approach to improvement than innovation developers do (Martin, 2007).

Executives place much confidence in existing or tested processes as a means for achieving desired improvements (Martin, 2007). Professionally, however, developers view innovation as a means of changing current practices or technology with enhanced capabilities (Martin, 2007). The focus of managers on achieving target bottom line in terms of profitability makes them to question, and even oppose, every unconventional proposal from innovation developers.

The development of a radical innovation might be the quickest way for an organization to disrupt the basis of competition in the industry by assuming leadership (Kaafarani & Stevenson, 2011; Leitner, Wehrmeyer, & France, 2010). In addition, when threatened by a superior disruptive innovation, an enterprise can launch incremental innovation to enhance and extend the usefulness of its current technology or system (Anonymous, 2011). Martin's (2007) implied that business executives were predisposed to incremental innovation, while professional innovators were proponents of radical innovation.

The practice of innovation creates a basis for domestic and global collaboration, cooperation, and alliances among multiple organizations (Azadegan, 2011; Wagner, Coley, & Lindemann, 2011). Supply chain integrations facilitate business innovations (Handfield & Lawson, 2007; Parker, Zsidisin, & Ragatz, 2008; Paulraj, 2011; Soosay et al., 2008). Terziovski and Hermel (2011) opined that the combination of expertise from collaborating entities enhances the odds of succeeding on innovation. Terziovski and

Hermel indicated that quality consciousness incites innovativeness, culminating in the development of customer-satisfying products and services.

Foster (2011) observed that the explosion of global operations led to unrestricted outsourcing of new product development to offshore facilities, with little attention to the implications of quality control. Foster noted that Chinese toys, Dell computers, and Toyota cars are examples of products that failed quality standards before getting into the markets. Foster and Terziovski, and Hermel (2011) seemed to propose that an invention must attain a quality standard before receiving the status of an innovation.

Terziovski and Hermel (2011) used a multiple-case study design to explore the quality management practices of some organizations in France. The doctoral study incorporates a similar research design as the basis for exploring the adequacy of alignment between financial strategy and customer categorization of two retail businesses. Terziovski and Hermel provided insights into creating high-quality customer satisfying values relevant to this doctoral study.

Von Der Heidt and Scott (2011) posited that a firm might succeed during the declining stage of innovation by eliciting loyalty or commitment from critical stakeholders. The stakeholders consist of customers, suppliers, business partners, and research agents. For example, the users and other dependable stakeholders of Apple Computers continued to support Mac computers, iPod, iTunes, and iPhone innovations even though rival technologies were penetrating the market (Campbell, Pitt, Parent, & Berthon, 2011; Finkle & Mallin, 2010). The need to compete in a global market and satisfy customer requirements propels organizations toward collaborative innovation (Soosay et al., 2008).

Accordingly, integration, cooperation, and collaboration underlie successful innovation. Supply chain relationships enable a manufacturer to exploit its supplier's innovativeness in designing new products (Azadegan et al., 2008). Some manufacturers influence the innovativeness of their suppliers by constantly evaluating their performance (Azadegan, 2011; Wagner et al., 2011). Some manufacturers invest in the improvement of suppliers' processes to promote innovation and improve quality (Azadegan, 2011; Wagner et al., 2011).

Apple Computers Company used innovativeness to create exceptional technologies, which were the basis for developing the Mac computer, iPod, iTunes, and iPhone products (Finkle & Mallin, 2010). The literature review on investment opportunities includes a detailed discussion of Apple Computers Company's success. Innovativeness enabled Microsoft Corporation to create Windows software, which dominated the personal computer operating system market (Liu, Chen, & Chen, 2011). Thus, innovation is a catalyst for business success.

K & N Management is a Malcolm Baldrige National Award recipient for 2010. The company used innovativeness to create outstanding products such as Mighty Fine Burgers, and Fries, and Shakes, which excelled in the market (National Institute of Standards and Technology, 2011d). The two product offerings outperformed the competition by topping the industry since 2008 (National Institute of Standards and Technology, 2011d).

Innovativeness also defines the process of serving customers by K & N Management. The company hosts websites, which contain store information and events (National Institute of Standards and Technology, 2011d). Customers can also obtain similar information from the social media, and *Eyeclick*, an interactive device used at the company's stores (National Institute of Standards and Technology, 2011d). The company employs iPads and Personal Digital Assistant (PDA) devices in its service to customers (National Institute of Standards and Technology, 2011d). Innovativeness enabled K & N Management to achieve a superior customer satisfaction experience (National Institute of Standards and Technology, 2011d).

Cao, Hartung, Forrest, and Shen (2011) remarked that innovativeness enables small and mid-sized enterprises to penetrate a global market. An organization can use innovativeness to achieve a first-to-market strategy, by creating a market for a new invention before competitors get to the market (Poletti, Engelland, & Ling, 2011; Sakchutchawan, Hong, Callaway, & Kunnathur, 2011). Innovativeness, therefore, is a basis for achieving competitive advantage, as it enables businesses to establish foundational relationships with customers ahead of their competitors. Foundational relationships may lead to customer loyalty of the new invention, which may result in product differentiation strategy.

Business organizations employ various innovation techniques, including lead user process, experimentation process, group dynamics, and partnering relationships. Lead user-based innovation emanates from the ideas of frontline consumers, who crave new technology or products before the makers can even conceive the idea (Apaydin, 2011; Riepula, 2011). A learning organization uses experimentation and group dynamics to innovate brilliant ideas (Al-Qutop, Futa, & Ma'ani, 2011). Experimentation and group dynamics, therefore, stimulate the intellectual capital of an organization to creative thinking.

Gaps in innovativeness applications. The practice of organizational innovativeness does not extend to creating ideas that will align financial strategy with customer categorization (Mallette, 2006). Consequently, the current stream of most organizational innovativeness does not translate into optimal performance (Anwar, 2008). Davies (2008) recommended that future researchers should investigate the role of environmental scanning-based innovativeness in building strong customer relationships. Tuulenmäki & Välikangas (2011) observed that organizations should include innovation of ideas execution in their innovation of business opportunity ideas to ensure meaningful benefits. A cogent part of ideas executions, the alignment of financial strategy with customer categorization are missing from organizational innovativeness.

Summary of innovativeness. Innovativeness consists of a revolutionary idea or technology that enhances process efficiency or the performance of a product or service. Organizational innovativeness contributes to elevating the standard of living in the society. Businesses use innovativeness to develop relevant skills and competencies that enable them achieve sustainable competitive advantage.

Business innovation promotes supply chain integrations and relationships. Unfortunately, innovativeness practice does not ensure alignment of financial strategy with customer categorization. The third interview question stemmed from the review of the literature on innovativeness: describe the process of identifying and creating new business solutions.

Summary of environmental scanning. Environmental scanning entails the gathering, analysis, and application of critical information about potential factors and trends in the business environment that might have an impact on the efficient conduct of business operation. The first part of environmental scanning, business intelligence, is the awareness of the business operations-impact of the environmental factors and trends. Business intelligence expands the executive foresight capacity of organizational leaders, enabling them to exploit opportunities and avert threats. Business intelligence leads to the second part of environmental scanning, investment opportunities.

Investment opportunities enable business organizations to use the information and awareness from business intelligence to create strategic offerings in terms of products, services, or financial resources. Investment opportunity is the basis for high-quality investment decisions, strategy implementation, and development of new products. The practice of investment opportunity creates a need for superior products or processes that will outperform the competition. The third part of environmental scanning, innovativeness, emerged to enable organizations create novel ideas or technology, capable of enhancing product quality or process efficiency. Innovativeness underlies the development of organizational skills and competencies used to ensure business success.

Literature Review on Financial Strategy

The second part of this literature review involves the analysis of extant concepts and studies on financial strategy, using the lens and perspective of the literature. Financial strategy is a plan for adequate funding of business operations, as a means of attaining profitability goals and satisfying predetermined customers' requirements (Calandro & Flynn, 2007; Mallette, 2006; Petre, 2008). Financial strategy is a quantification of the entire business process. Effective financial strategy promotes operating efficiency and solvency for an enterprise (Sunday, 2011).

Financial strategy enables the identification of optimal sources of finance and the generation of sufficient revenue. The evaluation of alternative capital structure, leading to minimal cost of capital is an attribute of the financial strategy process. The subtopics that facilitate an understanding of the concept of financial strategy include funding business operations, profitability, and capital structure. Funding business operations enables an organization to assess its funding requirement in the light of planned business activities (Mukhopadhyay & Amirkhalkhali, 2010).

The evaluative process of funding business operations leads to the adoption of the most profitable operational approach that would support the profitability goal of the firm. Profitability measures the viability of a business operation in terms of its capacity to generate internal funds (Dixit et al., 2009). Profitability elevates the financial flexibility of an enterprise by creating a favorable capital structure.

A low-debt capital structure is indicative of an efficient funding approach and high profitability. The review of the literature on funding business operations, profitability, and capital structure ensured a balanced perspective of the domain of financial strategy. The review contributed to answer the research question as it indicated potential means of aligning financial strategy with customer categorization.

Funding business operations. Funding business operations is the first part of financial strategy explored in this literature review. The highlights and analysis of the literature relating to funding business operations dominate the discussions in this subsection. The discussions contain information on the history, current practice, and gaps in the application of funding business operations. The discussions also indicate an interview question that facilitated data collection for the study. Funding business operations is a strategic application of financial resources to the value-creating activities of an enterprise to ensure efficient operations, and adequate profitability (Calandro & Flynn, 2007; Mukhopadhyay & Amirkhalkhali, 2010).

History of funding business operations. The works of the founding fathers of scientific management, such as Henri Fayol and Fredrick Taylor, are linkable to the genesis of funding business operations, in that strategic funding stemmed from the planning function of an organization. The idea of funding business operations, therefore, dates back to the early 1900s when the pioneers of management theory articulated the attributes of management efficiency (Fayol, 1949; Taylor, 1911). Strategic funding, however, is a branch of strategic management that originated from the work of scholars at the Harvard Business School in the beginning of 20th century (Porter, 1979; Porter & Millar, 1985; Schulz & Hofer, 1999).

Andrews (1971) provided a foundational platform for the concept of strategy by stating that business strategy indicates the strengths, weaknesses, opportunities, and threats (SWOT) of an organization. Porter (1979) extended Andrews' views by positing that several factors, including the influence of buyers and suppliers affect the strategic funding of business operations. Business funding is intrinsic in the patronage and transaction relationship with buyers and suppliers. Porter implied that a tandem relationship existed between a critical analysis of the external business environment and funding business operations as the later depended on the former. Modern organizations, therefore, predicate their funding of business operations on the interactions of the forces in the external environment (Kaplan & Norton, 2008).

The original military concept of strategy inspired the application of strategic funding of business operations. Originally, the term *strategy* indicated the superior plans of a military commander for defeating the enemy (Luecke, 2005). Likewise, firms formulate potent funding strategies that underlie an efficient value creation process, which serves as a weapon for defeating their competitors and generating maximum profitability (Petre, 2008; Porter, 1979). Efficient funding of operations enables an organization to satisfy its customer base, maintain or extend market segments, enhance profitability, and dominate the industry (Calandro & Flynn, 2007). Achieving increased market segment and reducing the customer base of a competitor is akin to the defeat of an opponent by a military general.

Current practice of funding business operations. Contemporary organizations use the funding of business operations to plan the sourcing and allocation of financial resources to business activities (Calandro & Flynn, 2007; Mendlowitz, 2011). Strategic funding, therefore, drives financial planning and forecasting. Cash flow projections and budgets emanate from strategic funding, as effective performance of business activities depends on the availability of adequate funding (Lyandres, 2007). Business entities are able to predetermine possible surpluses or deficits in the funding of operations, by quantifying the operating budget (Petre, 2008).

The reality of the cash flow cycle in normal business operations underlies the essence of financial strategy. Cash flow cycle encompasses the time from when an organization purchases goods through the realization of proceeds from the sale of the goods (Bhunia, Khan, & Mukhuti, 2011; Sunday, 2011). Cash flow cycle, therefore, depicts the working capital requirement.

Firms experience tangible intervals between incurring short-term liabilities, such as acquiring inventory, labor hours or payroll responsibility, and other operating expenses, and realizing cash proceeds from the sale of the inventory. Funding of business operations enables an organization to maintain business stability during the cash flow cycle. An organization may maintain sufficient liquid assets, such as bank and cash balances, with which to meet its operations during cash flow cycle (Dixit et al., 2009).

Funding business operations enables managers to determine the scale or level of business activities for an enterprise (Badulescu, 2010). The amount of potentially, available funds for business operations may be a prelude to an organization's ability to influence the competition (Fuxiang & Yuhui, 2011; Siddiqi, 2011). The size of a firm may be linkable to its funding capacity.

Inefficient funding technique leads to insufficiency of funds, which may affect the ability of an organization to repay borrowed funds (Al-Mamun, Wahab, Malarvizhi, & Mariapun, 2011; Liu, 2010b). Badulescu (2010) observed that business organizations resort to seeking loans from financial institutions because they are not able to generate adequate internal funds from operations. Funding business operations, therefore, enables an organization that foresees a shortage in its future funds to curtail its planned scale of business. Effective funding strategy helps business leaders to not over-trade or over-commit their firms, by operating at a level compatible with accessible funds.

Business organizations use funding of business operations to forecast market share and anticipate customers' needs (Calandro & Flynn, 2007; Mendlowitz, 2011). A customer-oriented business funding creates a need to update or adjust the financial strategy continually, in line with the realities of the market (Mallette, 2006). An effective funding approach compels business leaders to focus on the satisfaction of customers' needs, as a basis for maximizing internal funding (Fuxiang & Yuhui, 2011).

An organization with global business operations may need to adapt its strategic funding to the peculiarities of each market, thereby effectively identifying the distinct needs of customers in each segment (Cheru & Obi, 2011; Ni, 2011; Soosay et al., 2008; Wisma, 2008). A crucial aspect of strategic funding is using current service offerings to gather information that will be a basis for providing improved services to customers (Chesbrough & Euchner, 2011).

The strategic vision of Nestle Purina PetCare Company (NPPC) enabled the organization to fund its business operations efficiently, thereby dominating the pet care products markets in North America (National Institute of Standards and Technology, 2011g). The Nestle Purina PetCare Company used the practice of strategic funding to increase its profitability by building customer loyalty to its products (National Institute of Standards and Technology, 2011g). Strategic funding enabled NPPC to create market values efficiently, which accelerated its sales growth (National Institute of Standards and Technology, 2011g). Funding business operations, therefore, is an element of financial strategy, as it is a basis for achieving competitive advantage.

Honeywell Federal Manufacturing and Technologies, LLC, is a 2009 Malcolm Baldrige National Award recipient. The company predicated the funding of its operations on the continuous evaluation of its activities (National Institute of Standards and Technology, 2011c). The consistent analysis of the company's performance led to improved processes and huge cost-savings. Honeywell saved millions of dollars in operating costs between 2006 and 2009 that translated into significant profit (National

Institute of Standards and Technology, 2011c). Strategic funding enabled the company to position its business in the market effectively.

Gaps in funding business operations applications. Funding business operations does not embody sufficient business intelligence in a way that enables the alignment of financial strategy with customer categorization (Mallette, 2006). The poor connection of business funding to environmental scanning-based business intelligence results in untimely updates to financial strategy, and incompatible business operations (Mallette, 2006). The deficiency of funding strategy leads to defective strategic goals and inadequate funding (Liu, 2010b). Organizations cannot generate a satisfactory level of internal funds from operations, thereby having no choice but to borrow from external lenders (Badulescu, 2010; Mukhopadhyay & Amirkhalkhali, 2010; Salawu, 2009). The burden of loan repayment and cost of financing exacerbates the dismal funding strategy of a high-debt organization (Al-Mamun et al., 2011).

Business funding summary. Funding business operations entails the strategic allocation of financial resources to the value-creating activities of an enterprise to ensure uninterrupted business operations. An efficient funding strategy facilitates the attainment of profit targets. Strategic funding has roots in both scientific management and strategic management, as it stemmed from the planning function of management. The use of strategy by the military also inspired the emergence of strategic funding.

Funding business operations enables organizations to plan the sourcing and utilization of funds for business activities. The size of available funds, determined from strategic funding dictates the scale of business operations for an entity. Business leaders can forecast potential market share and anticipate customers' needs, when they engage in strategic funding. Unfortunately, the interface between environmental scanning-based business intelligence and strategic funding is deficient.

Strategic funding does not promote alignment between financial strategy and customer categorization, resulting in unsatisfactory generation of internal funds from operations. Borrowing funds from external sources seems to be the only choice for ensuring uninterrupted business operations. The fourth interview question emanated from the literature review on funding of business operations: describe in detail the process of determining the funding requirements for your business operations.

Profitability. Profitability is a financial performance indicator that measures the viability of a business operation and the capacity for generating internal funds (Dixit et al., 2009; Koleda & Lace, 2010; Mukhopadhyay & Amirkhalkhali, 2010). The efficient funding of business operations facilitates profitable value creation in terms of organizational offerings, which enable a firm to generate internal funds for the business. The focus for the literature review in this subsection is the history, current practice, and gaps in the application of profitability, the second conceptual issue of financial strategy. The discussion includes an interview question relating to profitability that facilitated the collection of empirical evidence for the study.

History of profitability. Profitability evolved with the development of trade and exchange among humankind. From the inception of trade, customers were willing to pay a price for the goods and services that satisfied their needs (Cheraghi, Dadashzadeh, & Venkitachalam, 2010). Sellers included a profit margin in the pricing of their goods, which represented the earning or income for providing goods or services to buyers (Cheraghi et al., 2010). The advent of capitalism exacerbated the drive for profitability and prosperity (Palmer, 2011).

Capitalism entails a free-market system with minimal government regulations (Shamir, 2011). The intent of a capitalist is to maximize profitability and wealth by providing goods and services to customers (Henderson, 2011; Shamir, 2011). In contrast, the orientation of socialism is toward a subsidized economy where the satisfaction of societal needs takes priority over the profitability of organizations (Zhang & Guo, 2011). Strategic management, which grew on the foundations of capitalism and free enterprise, advanced the concept of profitability in significant ways. In other words, the modern concept of profitability is an offshoot of both capitalism and strategic management.

Porter (1996) observed that business strategy is a means of achieving adequate profitability, as customers perceive a unique value in the offerings of a firm. The business strategy theories and insights provided by 20th century researchers at Harvard Business School were instrumental in shaping the approach to profitability (Porter, 1979; Porter & Millar, 1985; Schulz & Hofer, 1999). Reputable organizations such as Cisco, Dell Computers, and 3M implemented successful business strategies, which enabled them to achieve enormous profitability. Effective strategies promote competition in a free-trade environment as well as significant profitability (Luecke, 2005). Some businesses outperformed the others by tapping into their profit base.

Current practice of profitability. Profitability enables organizations to fund their business operations from internally generated proceeds (Badulescu, 2010). Mukhopadhyay and Amirkhalkhali (2010) observed that the availability of internal funding from profits reduces the pressure and costs associated with seeking external funds for the business. The use of profitability as a basis for funding eliminates the need to develop collateral security and relationships with lending institutions.

Business leaders can plan comfortably for the period for an investment project or significant breakthroughs involving strategic initiatives. Profitability-based funding informs the emphasis on the satisfaction of customer's needs. Satisfying customer's needs and maximizing their patronage are the bedrock for generating adequate profitability (Fuxiang & Yuhui, 2011; Siddiqi, 2011). The bargaining power of buyers articulated by Porter (2008) has a direct relationship with profitability because buyers' transactions create profitability for the seller.

Business leaders use profitability to build a large pool of financial reserves, which may underlie critical strategic moves (Dixit et al., 2009). Profitability facilitates the development of sufficient working capital and liquid assets for business organizations. Profitability translates into positive bank and cash balances for an entity (Dixit et al., 2009).

Profitability is a crucial indicator of financial performance for retail firms, as they depend largely on the margins earned from their brand offerings (Pandya & Joshi, 2011). A business can position itself in the market as a formidable competitor by creating large financial reserves (Song, 2011). Profitability, therefore, can enable an organization to assert an indomitable market position in the competitive business environment (Petre, 2008). The profitability-conscious organizations pay attention to both revenue and expenses, as generating significant revenue is not synonymous with generating profitability.

Profitability measures the efficiency and viability of a firm. Koleda and Lace (2010) observed that financial viability is the basis for a long time successful business operation. An unprofitable organization depends heavily on debt-financing (Badulescu, 2010) and may not survive as a going concern. Profitability, therefore, improves the capital structure of an organization by lowering the debt-equity ratio (Salawu, 2009).

Profitability expedites the repayment of borrowed funds (Al-Mamun et al., 2011), thereby strengthening the financial stability of a firm. In this context, profitability is critical to business success. Potential customers sometimes evaluate the profitability or viability of an organization before committing to a business relationship. A viable enterprise may use profitability to enhance its entrepreneurial activity and expand its market opportunities (Fatoki & Chindoga, 2011). From this perspective, profitability serves as a brochure for business stability.

Freese and Nichols, Incorporated, used profitability to boost its financial reserves, which increased from $9 million to $16 million between 2005 and 2010 (National Institute of Standards and Technology, 2011b). Profitability enabled the company to operate without debt in its 116 years of existence, except for repayment of capital to dissociating investors and long-term leases for infrastructures (National Institute of Standards and Technology, 2011b). Profitability, therefore, underlies a successful and viable business performance.

Gaps in profitability applications. The misalignment of financial strategy with customer categorization manifests in shortage of internally generated funds from profitability (Mallette, 2006). Inadequate profitability inspires the use of debt financing for the operations of a business (Badulescu, 2010). The United States Small Business Administration (2011) reported that only 50% of new businesses survived the first 5 years of existence. Inadequate profitability is primarily responsible for insolvency and business failure. Reputable organizations such as WorldCom, Enron, General Motors, and Chrysler became insolvent and filed bankruptcy protection because of poor profitability (Ferrell & Ferrell, 2011; Goldberg & Petasnick, 2010; Goodlet, 2010; Kelly, 2011).

Some organizations place a high priority on generating revenue, without commensurate attention to managing expenses (Dixit et al., 2009). If revenue does not exceed expenses, there will be no positive profitability (Pandya & Joshi, 2011). The pressure to impress *Wall Street* speculators and capital market operators led some organizations to use questionable accounting bases to develop revenue estimates, which ended up not translating into profitability (Ferrell & Ferrell, 2011; Kranacher, 2011).

Accordingly, the profitability numbers on the books may not reflect reality. A credible profitability is represented by debt-free liquid assets, working capital, investments, fixed assets, and a viable business operation. Although profitability and solvency are distinct, they are interrelated and promote each other. Insolvency is traceable to unprofitability (Dixit et al., 2009).

Profitability summary. Profitability is a byproduct of capitalism and strategic management, as it underlies the generation of internal funds from business operations. Organizations, therefore, compete for the highest share of profitability in a market, as a basis for viability and competitive advantage. The concept of profitability is not popular in a socialist or communist environment because the satisfaction of societal needs is superior to meeting organizational needs in those forums. Organizations use profitability to fund business operations instead of borrowed funds, thereby avoiding the need for collateral security.

The focus on profitability-based funding inspires the prioritization of customer satisfaction, which is the pillar for generating such funds. Profitability creates financial reserves for business entities and helps to develop both liquid and current assets. The generation of adequate profitability improves the capital structure and financial stability of a business enterprise.

Inadequate profitability, however, is a reflection of the misalignment of financial strategy with customer categorization. A high proportion of business failures are traceable to poor profitability, which contributes to insolvency. Irregularities in the determination of book-profits mask the true profitability of some business operations. The literature review on profitability precipitated Interview Question Number 5: how does profitability contribute to the funding of your business operations? Explain in detail.

Capital structure. Capital structure is the use of one or a combination of different types of long-term capital in financing a business operation (Salawu, 2009). The capital structure of an organization reflects the interest of owners and creditors of the business as well as indicating the extent of exposure to financial risk (Ahmad & Abbas, 2011; Salawu, 2009). A capital structure is insightful in gauging the efficacy of the financial strategy of an enterprise because profitability boosts financial reserves, which is an element of capital structure (Mukhopadhyay & Amirkhalkhali, 2010; Salawu, 2009).

An effective financial strategy generates substantial profitability, which reduces the need for debt-based financing. The literature review focus for this subsection includes the history, current practice, and gaps in the application of capital structure. The discussion also includes a literature review-based interview question that guided the conduct of the study.

History of capital structure. Salawu (2009) discoursed that the advent of free-market enterprise spurred the growth of financial markets, which enhanced the ability of business organizations to access sophisticated forms of capital. The capital and money market institutions are the offspring of a largely deregulated economy (Ragupathy, 2011; Rajagopal, 2011). The concept of capital structure, therefore, emerged as a basis for rationalizing the suitability and accessibility of potential capital financing in the markets (Ahmad & Abbas, 2011). The legal frameworks that defined and formalized financial instruments, the rights, and obligations of owners versus creditors promoted the concept of capital structure (Ahmad & Abbas, 2011). As financial markets grew in sophistication, capital structure became instrumental in optimizing the long-term capital employed in a business (Bertomeu, Beyer, & Dye, 2011; Huang, Lin, & Huang, 2011; Ragupathy, 2011).

The promulgation of limited liability protection for public and private companies that trade their shares on the stock exchange created numerous benefits for using debt financing (Ragupathy, 2011). The limited liability status grants immunity to the personal properties of business owners in the event of a foreclosure of debt by creditors (Anonymous, 2011; Bogdanowicz, 2011). A limited liability company is a legal entity or a separate person from the owners (Lamoreaux, 2011).

The focus on capital structure became intense as most organizations incorporated their companies under the limited liability statute, to take advantage of the tax deductible, interest-based debt financing. Capital structure; thus, depicted the control strata of a company, as owners ceded partial control of the enterprise to creditors (Ragupathy, 2011). Professionals and specialists with expertise in capital market securities and operations emerged as financial advisers on capital structure. Capital structure created a means for financiers or investors to connect with viable ongoing concerns (Mokhova, 2011).

Current practice of capital structure. Business organizations predicate their strategic mix of long-term capital employed on capital structure (Salawu, 2009). The proportion of equity (owner's fund) and debt finance used in operating a business is a function of capital structure planning. Capital structure, therefore, enables business leaders to determine the efficiency of debt finance versus equity capital (Bertomeu et al., 2011; Huang et al., 2011).

The financial risk exposure from using borrowed funds becomes obvious from assessing the capital structure. An enterprise can determine from the capital structure its obligations to lenders of long-term capital in terms of interest payments and repayment of capital (Ragupathy, 2011). The capital structure enables firms to engage in long-term capital-intensive projects by designating the finance options for funding the projects.

Capital structure facilitates the determination of the cost of capital used in a business (Bertomeu et al., 2011; Huang et al., 2011; Ragupathy, 2011). Chu, Chan, and Wu (2011) declared that a value-adding capital structure brightens the chances for viable business operations. A defective financial strategy may result in high cost of capital and a higher percentage of debt financing or liabilities than equity (Salawu, 2009). The limited liability status of an entity, however, can enable the use of substantial debt financing to implement aggressive product market strategy, which may improve both profitability and cash flow (Lyandres, 2007). The efficiency of a high-debt capital structure, therefore, may depend on the outcome of both financial and marketing strategies.

The comparison of weighted average cost of capital (WACC) with the return on capital employed (ROCE), as determined from the capital structure, enables an organization to measure the efficiency of its financial strategy. The use of equity financing attracts a relatively low cost of capital because the dividend paid to shareholders is at the discretion of the board of directors (Ahmad & Abbas, 2011). In contrast, the mandatory fixed interest payment to lenders for the use of debt financing elevates the cost of capital associated with borrowed funds (Huang et al., 2011). Profitability, therefore, reduces WACC by boosting equity capital and reducing the need for debt capital (Mukhopadhyay & Amirkhalkhali, 2010).

Business enterprises use capital structure to reflect the interest in and control of the organization (Ragupathy, 2011). The proportion of capital contribution to the organization by investors is the basis for measuring their interest in the company. In addition, the level and class of interest determines the extent of control over the company (Mokhova, 2011). For example, majority shareholders have more interest in a company than minority shareholders do.

The majority shareholders have statutory powers to appoint the board of directors. Ordinary shareholders assume bigger financial risk in an enterprise than preferred shareholders do, based on their compensation and hierarchy for repayment of capital in the event of dissolution. The amount of dividend paid to ordinary shareholders is subject to the decision of the board of directors, while the preferred shareholders earn a fixed rate of dividend.

Upon dissolution, preferred shareholders receive their share of the distribution of assets before the ordinary shareholders. The ordinary shareholders, however, have more powers in the control of the company than the preferred shareholders. The financial risk of the contributors of loan capital is far less than the risk of shareholders because they receive a fixed rate of interest, unaffected by the board's decision or profitability.

The loan capital contributors also rank higher than the shareholders in the order of asset distribution do during liquidation. The lenders of capital funds, however, have no control over the operations of the company, other than enforcing their covenant rights. Capital structure, therefore, enables an organization to determine an appropriate control structure for the company. Business leaders also use capital structure to identify undesired takeover overtures by potential investors.

A successful capital structure application enabled Freese and Nichols, Incorporated, to use financial reserves to finance its business operations (National Institute of Standards and Technology, 2011b). The company's debt-to-equity ratio is 3%, and is the lowest in the industry (National Institute of Standards and Technology, 2011b). The employment of substantial equity funds in the capital structure of Freese and Nichols, Incorporated, eliminates major potential threats to the company's financial stability.

Gaps in capital structure application. The capital structure of most organizations reflects a high-debt-equity ratio, which has a negative impact on profitability (Salawu, 2009). Salawu observed that the total liabilities of quoted companies on average amounted to 65.72%, of which 60% represented short-term liabilities. Salawu indicated that the high proportion of debt for the companies resulted in a negative rate of return of -0.39%. A defective financial strategy that yields inadequate profitability leads to a higher percentage of debt financing or liabilities than equity.

Badulescu (2010) remarked that small and mid-sized firms would continue to require loan-based funding as long as they cannot generate sufficient internal funds from business operations. Inadequate profitability predicated on the misalignment of financial strategy with customer categorization, therefore, may translate into inefficient capital structure. Inadequate financial reserves create a need for businesses to employ interest-based debt capital, coupled with restrictive terms of the loan (Mukhopadhyay & Amirkhalkhali, 2010). A debt-intensive capital structure heightens the potential threat to the financial stability of an organization (Salawu, 2009).

Capital structure summary. Capital structure is the mixture of various types of long-term capital in the financing of business operations. A capital structure typically consists of owners' fund or equity, long-term debts or debentures, loans from banks and financial institutions, and other liabilities. Capital structure evolved from the practice of free-market enterprise, and the sophistication of capital and money markets.

The protection of limited liability status also inspired the concept of capital structure, as business entities became separate *legal* persons from the owners. Business organizations use capital structure to plan the proportion of equity and loans employed in funding their operations. The capital structure of an organization is indicative of the financial risk exposure of the entity, and it might inform the evaluation of the financial strategy of the organization. Capital structure enables business leaders to measure the cost of capital and return on capital employed, and to determine the efficiency of the capital structure.

The interest and control of a company reflect on its capital structure. The organization can choose a desired balance between equity capital and borrowed funds, thereby preserving the control of the entity. Unfortunately, the high-debt ratio of the capital structures of quoted companies affects their profitability.

Insufficient generation of internal funds leads to the use of borrowed funds for business operations. Intensive debt financing threatens the financial stability of an organization. The following is the sixth interview question that emanated from the literature review on capital structure: describe the process of determining the finance option for funding different business operations.

Summary of financial strategy. The strategic funding of business operations creates a stream of values in terms of the products, services, and other offerings that satisfy customers' needs. Strategic funding, therefore, underlies profitability, as it enables organizations to achieve profit targets. Funding business operations enables an enterprise to focus on the needs of its customers, as it indicates the level of funding that will create the most value for different categories of customers. Strategic funding, therefore, is a basis for aligning financial strategy with marketing strategy-based customer categorization. The efficient funding of business operations strategically positions an organization for profitability.

Profitability creates an opportunity to generate internal funds from operations, which reduces the need for borrowed funds. Adequate profitability ensures the viability and financial stability of an enterprise by creating a large pool of financial reserves. Abundant financial reserves enhance the strategic capabilities of an entity, as it removes funding constraints that may inhibit business initiatives.

Business leaders can identify the value of groups of customers by determining the proportion of profitability derived from each customer segment. Profitability, therefore, can extend strategic funding ability to align financial strategy with customer categorization. Profitability-based financial reserve is an element of the capital structure.

An effective financial strategy reflects in the composition of the capital structure. Substantial profitability, which is indicative of an effective financial strategy, leads to a low-debt capital structure. Organizations, however, employ efficient levels of tax deductible, interest-based, debt financing to augment their need for capital funds.

An enterprise may also use debt financing to enhance its earnings before interest and tax (EBIT) performance. When funding business operations does not lead to the generation of adequate profitability, the amount of internal funds from operations shrinks, and borrowed funds dominate the capital structure. A high-debt capital structure burdens a financial strategy by reducing profitability and constricting business opportunities. The articulation of an effective financial strategy needs to incorporate the impacts of strategic funding, profitability, and capital structure elements.

Literature Review of Customer Categorization

Customer categorization is the third topical issue explored in this literature review. Customer categorization is a marketing strategy tool used in classifying customers based on predetermined criteria, which enable organizations to identify and address the unique needs of each customer group (Anwar, 2008; Calandro & Flynn, 2007). The basis for categorizing customers includes volume of business, customer status, geographic location, and nature of customer relationship. The following three subtopics illuminate the concept of customer categorization: (a) customer satisfaction, (b) market orientation, and (c) competitive advantage.

Businesses use customer categorization to rank the needs of their customers. Customer categorization also indicates the order of satisfying the needs. The ideals of customer categorization enable business leaders effectively, to focus on the market and target high-value potential customers. Customer categorization underlies effective business strategy that leads to competitive advantage. The review of literature on customer satisfaction, market orientation, and competitive advantage enhanced the perspective of the domain of customer categorization.

Customer satisfaction. The first subtopic explored in this part of the literature review is customer satisfaction. Customer satisfaction entails conducting a business practice in a manner capable of creating value for customers (Calandro & Flynn, 2007). Customer satisfaction is a fundamental aspect of the marketing concept (Kovacs, Farias, Moura, & Souza, 2011). Customer satisfaction leads to customer loyalty and consistent patronage as it enables a business to elicit confidence from its customers.

Customer satisfaction creates a supplier-buyer relationship that transcends transaction relationships (Ahmed, Shaukat, Nawaz, Ahmed, & Usman, 2011; Davies, 2008). Meaningful collaborations may emerge from the customer satisfaction experience. The discussions in this subsection indicate the history, current practice, and gaps in the application of customer satisfaction. The literature review informed one interview question that guided the conduct of the study.

History of customer satisfaction. Customer satisfaction evolved from the principles of behavioral management propounded by behavioral scientists such as Abraham Maslow and Peter Drucker. Maslow's (1966) hierarchy of needs identified the categories of human needs, ranging from physiological to self-fulfillment needs. The buying patterns of the customers of a business organization reflect Maslow's idea of the hierarchy of human needs. Accordingly, businesses seek to identify, satisfy, and exploit the heterogeneous needs of their customers (Akpan, 2011; Calandro & Flynn, 2007; Kovacs et al., 2011).

The realities of unique customer needs informed the marketing strategy-based customer categorization practice. The business community originally viewed customer satisfaction as a one-sided value tool that favored customers, as it represented the excess of values derived from an offering over the price paid for it (Ahmed et al., 2011; Li & Green, 2011). Sorescu et al. (2011), however, opined that retailers provide economic benefits to customers, as a basis for generating profitability.

Customer satisfaction, therefore, is not just a means of creating values for customers; it is also a premise for producing values for a business entity. The values derived from satisfying some customers' needs transcend ordinary market values. The principles of customer satisfaction, therefore, make organizations focus on a selected customer segment perceived to be of high value to the entity (Anwar, 2008). A business may be unable to vary its satisfaction approaches among customer groups if it maintained same focus levels for all customers (Calandro & Flynn, 2007).

Drucker (1954) remarked that the primary function of a business was finding a customer. Drucker's remark implied that appealing effectively to potential customers, and maintaining a good business relationship with an established customer base is the fundamental essence of business practice (Fuxiang & Yuhui, 2011; Siddiqi, 2011). The linkage of substantive customer patronage to a business' profitability underscores the veracity of Drucker's phenomenal observation. Moreover, the orientation of business competition is toward finding and retaining customers (Porter, 1996). Organizations, therefore, prioritize the search for customers over the needs of other stakeholders.

The philosophy of corporate social responsibility advanced the practice of customer satisfaction. Sangeetha and Pria (2011) opined that businesses use corporate social responsibility to achieve their corporate goals as well as to achieve customer satisfaction. In contrast to Drucker's (1954) remark, Aguilera et al. (2007) expressed the view that organizations and other business systems, such as customers, coexist mutually to satisfy their interdependent needs. Aguilera et al. adopted a holistic view of the societal needs that predicate business relationships.

The needs of customers are part of the needs of the society. The satisfaction of customers translates into the satisfaction of a part of the society. In this context, an organization is indistinguishable from its customers, as the organization is also a customer with needs that other societal agents may have to satisfy. The implication of Aguilera et al.'s (2007) view is that each economic and societal agent (not just an organization, as observed by Drucker) has a primary responsibility of finding a subsystem that can satisfy its needs.

The views of Aguilera et al. (2007) informed the sixth conceptual framework for this study. The concept suggests that the constituents of business systems interact to provide mutual benefits in terms of social change and corporate social responsibility. Business systems comprise individuals, groups, organizations, economies, and nations (Aguilera et al., 2007). The interdependent needs of organizations and customers, therefore, connect corporate social responsibility to customer satisfaction. The execution of social change and corporate social responsibility activities enhances the customer satisfaction experience.

Current practice of customer satisfaction. The essence of categorizing customers is to identify high-value customers and determine the most efficient ways of addressing their business needs (Calandro & Flynn, 2007). Kovacs et al. (2011) observed that the potency of an effective marketing strategy lies in customer satisfaction. The quality of a stream of offerings may not ensure business success unless the products or services translate into customer satisfaction. The marketing mix, including advertising and sales promotions may not secure a profitable customer base except when the business practice creates adequate customer-perceived values.

The identification of critical customer needs enables an organization to formulate a financial strategy that incorporates the potential of satisfying those needs (Fuxiang & Yuhui, 2011; Siddiqi, 2011). Siddiqi noted that customer satisfaction is fundamental to business success. Unfortunately, Mallette (2006) observed that most businesses lack an effective basis for evaluating their financial strategy as a means of achieving customer-focused operations. An organization may need to review its financial strategy frequently to ensure that customer satisfaction is the focus for its business practice.

Likewise, the assessment of the needs of customers should be a continuous activity as a basis for updating the financial strategy. Siddiqi (2011) examined the connections between service quality, customer satisfaction, and customer loyalty in the retail banking business. The intent for this doctoral study was to explore the alignment between financial strategy and customer categorization of retail businesses. The results of Siddiqi's study were insightful and relevant to this study. Mallette's (2006) case study was instrumental in developing a perspective about the effectiveness of financial strategy, which is a cogent part of the doctoral study.

Organizations use customer satisfaction to elicit customer loyalty, as consumers' perception of the usefulness of a product may influence the demand for the product (Foster, 2011; Islam, Khan, Ramayah, & Hossain, 2011). M. L. Li and Green (2011) stated that customer-perception of a higher value in a product than the sacrifice made in acquiring the product leads to both customer satisfaction and loyalty. A *snowball* effect may arise from customer satisfaction, as satisfied customers may publicize the products or introduce them to new customers. Customer satisfaction, therefore, may enable an entity to expand its customer base.

In this context, customer satisfaction is a market-positioning tool (Anwar, 2008). Drucker (1973) declared that the foundation of business strategy is finding and retaining a customer. Customers may be the most important stakeholder of a business organization because if there are no customers, there might be no business organization (Robertson et al., 2010; Wang, 2011). In most cases, the projected revenue from customers defines the scale of business operations and the capacity of both operating and financial budgets.

Customer patronage, therefore, may inform the level of interactions between an organization and other stakeholders. The prioritization of customer satisfaction is a reasonable business decision. The customer loyalty that results from satisfying buyer needs creates a lasting supplier-buyer relationship, as loyalty leads to trust and commitment (Den Butter & Linse, 2008; Storey et al., 2006; Wagner et al., 2011; Wang, 2011).

Businesses use customer satisfaction to moderate the transactional influence of buyers. Porter (2008) opined that customers are one of the five forces in the external environment that influence profitability or scale of business operations in an industry. Porter's significant view informed the second conceptual framework for the doctoral study. The freedom of buyers to choose which organization to patronize impacts the revenue levels of sellers.

The ability of customers to dictate the volume of business to transact with sellers enables them to affect the revenue potential of an industry. In this context, similar industry forces regulate the revenue capability of each entity in the industry. An organization may not grow its revenue and profitability beyond the capacity of the entire industry.

However, the concept of *firm autonomy* espoused by Garcia-Castro and Arino (2011) is antithetical to the views of Porter (2008) in that an organization may successfully achieve sustained profitability independent of the emergence of its *economic landscape*. The satisfaction of customer-contact employees is central to achieving customer satisfaction because those employees are responsible for implementing customer satisfaction programs (Yang & Coates, 2010). Most organizations require excellent customer service skills for customer-contact positions.

The quest for customer satisfaction may be a basis for supply chain integration and innovativeness (Handfield & Lawson, 2007; Nepal, Yadav, & Solanki, 2011; Shirouyehzad, Lotfi, Aryanezhad, & Dabestani, 2011). Agus and Hassan (2008) argued that the integration of a strategic supplier partnership into business operations enhances the quality of finished products. Baharanchi (2009) corroborated Agus and Hassan's view by indicating that partnering with suppliers elevates product quality and innovation. Product and service quality are elements of the economic values that lead to customer satisfaction.

Organizations may combine their expertise and skills in pursuing effective customer satisfaction. For example, some enterprises engage in joint advertisements, promotions, customer service, and product improvement efforts. Espinoza, Bond, and Kline (2010) observed that increasing competition and a more informed customer instigate a drive in organizations to improve product quality. The emergence of customer sophistication and intelligence contribute to the bargaining power of buyers.

Customers seem to be gaining strength and ability to use industry information in analyzing the competition. Customers use the analysis as a basis for patronizing business entities. Espinoza et al. (2010) used a case study method collected data from 30 interviews and observations to investigate the quality performance measurement practices of some organizations.

The doctoral study consisted of a multiple-case study, 30 interviews, and participant observations in the investigation of the quality of alignment between financial strategy and customer categorization. Espinoza et al.'s (2010) in-depth investigation indicated that firms involved in business cooperation achieve greater product quality, efficient logistics, process improvement, reduced costs, and superior designs. Customer satisfaction, therefore, may lead to tangible collaboration and cooperation among buyers and suppliers (Parker et al., 2008; Terziovski & Hermel, 2011). The focus on customer satisfaction may enhance an organization's logistics planning, as efficient delivery of products or services creates value for customers (Anderson, Coltman, Devinney, & Keating, 2011; Kenyon & Meixell, 2011).

The practice of customer satisfaction enables business organizations to identify with the society and the environment. Boons (2008) remarked that competitive self-organizations of economic actors did not align with the central needs of the society. The economic activity that does not incorporate societal preservation degrades the environment. The classification of the society based on needs might enable organizations to develop suitable programs or offerings with which to address the needs.

A customer population originated from the society. The satisfaction of the customer might translate into the satisfaction of the society. In this context, O. Pearce (2008) remarked that sustainable development entails harmonizing economic, environmental, and social needs, and integrating them into an organizational decision-making process. The creation of economic values through a process compatible with societal and environmental needs leads to both customer satisfaction and sustainable development.

The sustainable development concept is the third conceptual framework that guided this doctoral study. The concept enables the weighing of superficial customer satisfaction-based economic activities against the broad needs of the society-originating customers. The concept also illuminates the impacts of customer satisfaction activities on the environment.

Enterprises use customer satisfaction as a means of effecting social change and fulfilling corporate social responsibility (Sangeetha & Pria, 2011). Developing a positive image in the society based on corporate social responsibility initiatives positions an organization and its products or services for a successful performance. Businesses can influence social change with customer satisfaction by supporting or investing in specific society-oriented economic activities. A firm may subsidize a newly developed offering that promotes positive behavior in the society.

Organizations, therefore, use their ability to influence consumer behavior to effect social change. Aguilera et al. (2007) posited that the constituents of business systems interact to provide mutual benefits in terms of social change and corporate social responsibility for all parties. The subsystems are customers to each other with legitimate needs.

The basis for interaction might be unique for each customer group, indicating a need for an organization to vary the application of financial strategy among its customer groups. The concept of social change and corporate social responsibility is the sixth conceptual framework that informed this doctoral study. The adaptation of the concept to this study created a potential for the ensuing recommendations that lead to positive social change. Satisfying customers may be a fundamental corporate social responsibility that results in positive social change.

Studer Group is a Malcolm Baldrige National Award recipient in 2010. The company is a consulting outfit that provides coaching and teaching services to health care organizations across the United States (National Institute of Standards and Technology, 2011h). Customer satisfaction is a high-priority focus for the Studer Group. The company demonstrates its commitment to positive customer experience by associating its customer support system with its employee performance management process (National Institute of Standards and Technology, 2011h).

Studer Group reflects evidence-based leadership (EBL) service excellence in its relationship with customers, which resulted in high level of customer satisfaction (National Institute of Standards and Technology, 2011h). From 2006 to 2010, Studer Group exceeded the service performance insight (SPI) best benchmark by scoring satisfaction ratings of about 98% (National Institute of Standards and Technology, 2011h). The achieved satisfaction levels translated into renewal rates that exceed 85% annually (National Institute of Standards and Technology, 2011h). Customer satisfaction is cogent in eliciting loyalty from customers, which is central to boosting revenue levels.

The customer satisfaction practice of Studer Group influenced the internal customers of the company. Employees are internal customers because they have transaction relationship with their employers. Attitude surveys conducted by a prominent organization indicated that the company's employee satisfaction, morale, and engagement exceeded the levels achieved by its competitors (National Institute of Standards and Technology, 2011h). The satisfaction of both external and internal customers may be pertinent to attaining organizational goals.

Gaps in the practice of customer satisfaction. Most organizations lack a means of frequently evaluating and updating their customers' needs (Mallette, 2006). Such organizations may not have a potent financial strategy that aligns with customer satisfaction. The business functions with a questionable viability agenda, as misplaced priority guides business operations. Internally generated funds are insufficient for business operations because of reduced customer activity (Badulescu, 2010). Poor customer satisfaction efforts do not attract a large pool of customers and volume of business that would yield adequate profitability. Substituting borrowed funds for profit-based internal funds does not help, as loans increase operating cost and selling price. The current practice of customer satisfaction does not satisfactorily promote the competitiveness of business organizations. Inadequate customer satisfaction imposes a burden on enterprises to seek external funds for the business (Mukhopadhyay & Amirkhalkhali, 2010).

The creation of customer satisfaction-based economic values falls short in targeting the broad needs of the society (Boons, 2008). In the same vein, organizations seem to provide customer satisfaction initiatives solely from the perspectives of economic needs, which is detrimental to the ideals of sustainable development efforts.

Sustainable development encompasses economic, social, and environmental needs (Pearce, 2008; Senge et al., 2008).

Summary of customer satisfaction. Customer satisfaction is the creation of economic values for customers. Every aspect of a customer satisfaction-oriented business practice must support this business focus. Customer satisfaction, therefore, is an outward-oriented activity, distinct from other inward-bound organizational practice. From a customer's standpoint, customer satisfaction represents the difference between the values from an offering and the price paid in acquiring it.

The concept of the hierarchy of human needs inspired the principles of customer satisfaction. Businesses identify, satisfy, and exploit the heterogeneous needs of potential customers. Organizations, therefore, view unmet needs in the market as opportunities for profitability. The ideals of corporate social responsibility were also foundational to the concept of customer satisfaction. Enterprises sometimes incorporate customer satisfaction in their corporate social responsibility initiatives.

Customer satisfaction enables businesses to elicit customer loyalty to their market offerings. Organizations can thereby moderate the influence of the bargaining power of buyers. Customer loyalty essentially eliminates buyers' ability to patronize a competitor or rival products. In this context, customer loyalty is a weapon used to neutralize a customer's independent sense of judgment. The concept of firm autonomy, therefore, trounces the concept of the bargaining power of buyers, as an organization can outgrow unilaterally its industry, prevailing environmental forces notwithstanding.

The pursuit of customer satisfaction inspires collaboration, cooperation, and integration between businesses and supply chains. Firms use customer satisfaction as a means of effecting social change and implementing corporate social responsibility initiatives. Creating economic values through a process that preserves societal survival and environmental resources leads to sustainable development. Unfortunately, ill-equipped businesses are unable regularly to evaluate and update their customers' needs as a basis for developing satisfying offerings.

Customer activity and volume of business are at an all-time low leading to poor profitability and insufficient internal funds. The desire to conduct a business in a way that creates benefits for customers creates a need for market orientation in an organization. A business entity that lacks adequate market intelligence may be incompetent to satisfy the needs of its customers. The seventh interview question for the doctoral study emanated from this portion of the literature review: describe the process of evaluating customer satisfaction for your business.

Market orientation. Market orientation is the second subtopic of customer categorization reviewed in this subsection. Market orientation illuminates the existing and potential needs of the market, thereby complementing the processes of customer satisfaction (Anwar, 2008; Jaworski & Kohli, 1993; Narver & Slater, 1990). Obtaining market intelligence is plausible in matching potential offerings with customers; it empowers business leaders effectively to assess the market.

Anwar (2008) observed that the central theme of market orientation was aligning business practice with the realities of the market. A cogent, undeniable, market reality is the potential demand for a company's products and services. Market orientation generates relevant market information that helps a business position itself in the market. In addition to highlighting customer's needs, Davies (2008) opined that market orientation creates an awareness of competitor activity in the market.

The information emanating from market orientation may enhance the analysis of products' strengths and weaknesses relative to the competitors. The review of the literature relating to market orientation is the focus for discussion in this subsection. The discussions include the history, current practice, and gaps in the application of market orientation. An interview question that guided in exploring the concept emerged from the literature review.

History of market orientation. Market orientation is an offshoot of marketing practice (Anwar, 2008; Nejatian, Sentosa, Piaralal, & Bohari, 2011). Market orientation emerged originally from the need to reach out to potential customers. Marketing activity creates a relationship with customers (Anwar, 2008). The literature is unanimous in indicating that market orientation evolved to enable organizations to develop valid insights into consumer behavior, potential threats from competitors, optimization of business functions, and viability (Anwar, 2008; Davies, 2008; Jaworski & Kohli, 1993; Narver & Slater, 1990; Nejatian et al., 2011).

Market orientation, therefore, is synonymous with customer, competitor, inter-functional, and profitability consciousness. A market-driven organization stays abreast of the strategic developments in the market environment. To this end, the primary relevance of market orientation is in gathering market intelligence. For example, organizations use reward programs, such as credit cards, airline, hotel, grocery store, sandwich shops, and cafes to collect market intelligence data on the behavior practices of customers.

Market orientation evolved into a business strategy tool used in implementing vital initiatives or policies (Jaworski & Kohli, 1993; Mintzberg, 1978; Saini & Mokolobate, 2011). Market orientation facilitates the implementation of financial, marketing, and major business operating strategies. Market orientation has grown beyond the originally intended marketing paradigm to a level where it affects the entire business practice.

The interrelationships of business management tools partially facilitated the growth. For example, the success or failure of marketing activity translates into the success or failure of financial strategy implementation as well as other aspects of business operations. Saini and Mokolobate (2011) discoursed that viewing market orientation from the traditional lens of marketing activity diminished the capability of the concept. In this context, market orientation is an organization-wide practice that facilitates the accomplishment of corporate goals. Empirical evidence indicates that market orientation enhances innovation efforts (Saini & Mokolobate, 2011).

Davies (2008) equated market orientation with business intelligence, which implies that market orientation has a similar origin with business intelligence. Viewed from this perspective, market orientation has a three-pronged foundation: scientific management, strategic management, and behavioral management. The constructs of organizational efficiency, planning, profitability, and human behavior orchestrated the evolution of market orientation (Pawar & Sharda, 1997). Although market orientation and business intelligence share similar underlying principles in terms of generating environmental information, the intent for deploying the two tools and their sphere of competence are divergent.

Albright (2004) noted that the probing of business intelligence goes beyond the market environment as it encompasses all aspects of the business environment. On the other hand, the exclusive focus for market orientation is the analysis of the market environment (Anwar, 2008; Nejatian et al., 2011; Saini & Mokolobate, 2011). Business intelligence generates information on trends and factors in the legal, political, social, operating, financial, and market environments.

Organizations may use market orientation as a subset of business intelligence to avoid duplicating resources. Business intelligence can relinquish the function of market intelligence to the market orientation function. In this light, market orientation does not have the same capability as business intelligence. Market orientation is subordinate to business intelligence.

Current practice of market orientation. Market orientation facilitates the adaptation of business practice to the market environment (Anwar, 2008; Davies, 2008; Nejatian et al., 2011). Anwar's market orientation philosophy is the seventh conceptual framework that guided the conduct of this study. The concept enables organizations to gain insights into the strategic market trends and factors that influence consumer demands. The turbulent nature of the marketplace requires constant diagnostic review to determine critical success factors (Denning, 2011).

The critical success factors may translate into strategic options for addressing major challenges. Market orientation practice makes the analysis of the external business environment a prerequisite for a customer-satisfying operation (Kaplan & Norton, 2008; Porter, 2008). The essence of adapting a business practice to the market environment is effectively to identify and relate to the unmet needs of customers. The influence of buyers or customers affects the market environment as well as the broad business environment (Porter, 2008).

Customers, therefore, are economic agents in both market and business environments. Porter's (2008) concept of bargaining power of buyers is the second conceptual foundation for the doctoral study. The critical market intelligence gathered from market orientation practice may be sufficient for analyzing customers. Organizations may focus their broad business intelligence activity on other aspects of environmental forces.

Davies (2008) viewed the close relationship between market orientation and business intelligence as connoting sameness. On the contrary, Albright (2004) indicated that the scope of environmental scanning-based business intelligence extends beyond the market environment. In this context, market orientation is a subset of business intelligence.

Young (2011) seemed to adopt this view by remarking that market orientation activity is a segment of a bigger system. Market orientation processes may represent the preliminary stages of business environmental scanning. An adequate market orientation program expands the capability of environmental scanning by enriching the quality of information used in managing a business.

Market orientation is insightful in determining and analyzing competitor activity in the market (Davies, 2008; Hamel & Prahalad, 2005). The goal of each competitor is to attract as many high-value customers as possible. Market intelligence illuminates the market share of each competitor and the competitive strategies employed in the market (Anwar, 2008).

The information emanating from market orientation may be a basis for identifying the market leader, and for benchmarking competitors (Min, Min, Joo et al., 2009). Market orientation enables businesses to identify the strengths, weaknesses, opportunities, threats, skills, and capabilities of their competitors. Organizations use market orientation-based information to formulate strategies with which to exploit the weaknesses and threats of their competitors.

Market orientation, therefore, is a potent business strategy enabler (Saini & Mokolobate, 2011; Shahhosseini & Ardahaey, 2011). A firm may use market orientation to identify the corporate social responsibility (CSR) initiatives that would draw consumers' attention to its products (Stanaland, Lwin, & Murphy, 2011). Likewise, market orientation intelligence generates information on the adequacy of existing CSR activities, as compared with those provided by competitors.

Market orientation is the foundation for the marketing function of an organization (Nejatian et al., 2011; Uncles, 2011). Enterprises use their marketing functions to build and maintain a profitable customer base. Market orientation points marketing practice in the right direction by indicating relevant customer and competitor information that affect sales performance. Uncles declared that market orientation intensifies the tone of marketing philosophy.

Market orientation underlies the viability of an enterprise (Rong & Wilkinson, 2011). The delineation of unique characteristics of customers enhances the implementation of the marketing strategy (El-Ansary, 2006; Hahn & Powers, 2010; Shahhosseini & Ardahaey, 2011). A successful marketing strategy is indicative of an effective financial strategy. The ideals of market orientation extend to the formulation and implementation of financial strategy. Market orientation underlies a successful financial strategy.

Chesbrough and Euchner (2011) observed that a critical aspect of financial strategy was using current service offerings to gather information that will enable an organization to improve its services to customers. Market orientation, therefore, may be a means of aligning financial strategy with marketing strategy-based customer categorization. Sadly, Mallette's (2006) case study-based research results indicated that organizations fall short in harmonizing their financial strategy with other aspects of business practice. Mallette's observation implies that enterprises are not exploiting the full potentials of market orientation.

The information from market orientation may be a basis for developing creative ideas used in innovating customer-satisfying solutions (Pogrebnyakov & Kristensen, 2011; Reinartz, Dellaert, Krafft, Kumar, & Varadarajan, 2011; Saini & Mokolobate, 2011). Wong and Tong (2011) stated that market orientation is fundamental in new product development. Organizations rely heavily on emerging information in their quest for new product initiatives. In this context, market orientation activity may be an innovative process used in identifying lucrative opportunities.

Pogrebnyakov and Kristensen (2011) observed that a sophisticated information gathering capability in regional markets enabled business leaders to adapt to changes and challenges in the markets. The evolutionary processes of business make change an inevitable reality (Allenby & Sarewitz, 2011; Axson, 2011; Deeg, 2009; Hallin & Marnburg, 2007). Garrison, Harvey, and Napier (2008) indicated that chaos and unsettling market challenges characterized the current unstable business environment.

Adapting to market changes and challenges based on adequate information-gathering process is a top-priority, indispensable organizational focus (Pogrebnyakov &

Kristensen, 2011). Pogrebnyakov and Kristensen used a case study design to explore the acquisition of market intelligence in remote markets. The results of Pogrebnyakov and Kristensen's case study were relevant to this multiple case study design-based research, intended to explore among other things, the use of market intelligence to illuminate business practice.

Reinartz et al. (2011) remarked that retailing innovation enables leaders of organizations to meet the peculiar needs of customers in each market. Business innovation sometimes stems from market orientation practice, as the identification of unmet needs in the market creates an opportunity for exploring a radical innovation. In this context, Saini and Mokolobate (2011) hinted that market orientation boosts innovative endeavor.

Market orientation may enable an organization to develop a solution that has a capability of disrupting the competition in an industry (Estrin, 2009). An organization may emerge as the industry leader by thoroughly analyzing and using market orientation information. In the same vein, a business may gather critical information for enhancing the capability of existing innovation from market orientation.

Advocate Good Samaritan Hospital is a 2010 Malcolm Baldrige National Award recipient that has a tight focus on market orientation. The company operates an acute care medical facility in Downers Grove, Illinois. The hospital adapted its care services to the needs of its customers by creating an exceptional patient experience at its facilities (National Institute of Standards and Technology, 2011a). Advocate Good Samaritan

Hospital engages in community outreach programs that involve free health services and information (National Institute of Standards and Technology, 2011a).

The organization also participates in a community health initiative that enables the uninsured populace to receive care from the hospital (National Institute of Standards and Technology, 2011a). The free programs enable the company to gather relevant information about its market. The market intelligence illuminates the company's health care practices, which resulted in a high physician satisfaction rating. The market share of the company grew by 17% in the last four years.

Gaps in market orientation application. The misalignment of financial strategy with customer-based operations is an indication of the inadequacy of the current practice of market orientation (Mallette, 2006). Mallette stated that inept environment scanning activity results in an imbalance between financial strategy and the realities of the market. Kohn (2005) expressed a similar view about the connection of business intelligence to both financial strategy and customer-centered business operations. Davies (2008) opined that market orientation facilitates information gathering just like business intelligence.

Essentially, organizations have not explored the potentials of using market orientation practice sufficiently to align financial strategy with customer-centric business activities. The inadequacy of market orientation practice results in missed revenue opportunities, as organizations cannot foresee emerging market prospects (Anwar, 2008). Missed revenue opportunities are sometimes tantamount to under recouped business expenses and financial losses. The poor practice of market orientation is causing enterprises to incur losses in their operations.

The shrinkage in the customer base of most organizations resulted from insufficient use of market orientation to gauge the market (Davies, 2008). Businesses seem to lack a means of moderating the influence of buyers, thereby foregoing critical portions of their revenue. Information on consumer behavior seems to elude firms, as business leaders depend on intuitive judgment or *rule of thumb* approach on managing relationships with customers.

Some major upsets in the market take organizations by surprise because the employed market orientation practice is inefficient. Executive foresight of business leaders suffers because of a deficient market orientation application. Market orientation practice does not sufficiently lead to customer loyalty, as business entities are unaware of how to elicit strategic loyalty from their customers. Dismal market orientation practices affect an organization's ability to commit to a strategy option because of the poor quality of information used in implementing the strategy.

Summary of market orientation. Market orientation serves as a searchlight on the market, used in obtaining valuable intelligence about the market environment. A cogent insight gained with market orientation activity is the prevailing unmet needs of potential and existing customers. Market orientation, therefore, expands the foresight of marketing managers and business leaders. Market orientation may be an integral part of business intelligence, but its scope is far less than the domain of business intelligence.

Market orientation emerged from marketing activity and evolved into a strategy implementation tool used to gain competitive advantage. Organizations use market orientation to illuminate customer, competitor, inter-functional, and profitability activities. The information from market orientation may be a basis for creative ideas, and for innovating market-disrupting solutions or enhancing the capability of existing innovations.

The review of the literature related to market orientation indicates that it facilitates the attainment of competitive advantage. Market orientation creates an edge for an organization in the marketplace by enabling the business to exploit prevailing opportunities in the industry. The eighth interview question for the doctoral study emanated from the literature review on market orientation: explain how you adapt your business to the prevailing market needs and conditions.

Competitive advantage. The third subtopic of customer categorization analyzed in the literature review is the concept of competitive advantage. Competitive advantage is the ability to provide superior performance or greater value to customers than rivals in the market, enabling an organization to achieve higher than average profitability (Porter, 1996, 2008). Competitive advantage sets a business apart from its rivals in the industry. The ability to create a customer-perceived difference is the hallmark of competitive advantage. The difference may be in the form of low-operating cost, superior offerings, and phenomenal customer focus and relationship.

Hamel and Prahalad (2005) indicated that adopting a global view of the market might lead to competitive advantages, as global revenue enables organizations to emerge as industry leaders. Market orientation informs the conduct of business operations that lead to the development of competitive advantage (Davies, 2008; Hamel & Prahalad, 2005). An enterprise may orient its operations to local, regional, and global markets as a means of gaining competitive advantages. The discussions in this part of the literature review include the history, current practice, and gaps in the application of competitive advantage. An interview question that guided the conduct of the study emerged from the analysis of competitive advantage in the literature review.

History of competitive advantage. The concept of competitive advantage emerged from strategic management advocated by scholars in prominent institutions of learning, such as Harvard Business School in early 20th century (Porter, 1979; Porter & Millar, 1985; Schulz & Hofer, 1999). Strategic management is the epistemology for the formulation and implementation of business policies and strategies, which enable firms to create defensible positions in the marketplace (Porter, 1979). The defensible positions are indicative of areas of superiority of an organization to its competitors. In other words, an organization's defensible market positions relate to its competitive advantages.

Business strategy, therefore, reflects and reinforces an enterprise's competitive advantages, which may depend on its strengths, weaknesses, opportunities, and threats (Andrews, 1971; Kaplan & Norton, 2008). Competitive advantage may also be derived from the elements of business strategy, including superior skills, capabilities, and competencies of a business entity (Hamel & Prahalad, 2005; Luecke, 2005). Competitive advantage seems to be inextricable from the practice of business strategy, as the former is the goal for the latter. Strategic management, therefore, enhanced the pursuit of competitive advantage.

The accomplishment of successful entrepreneurship was the original intention for seeking competitive advantage (Garrett, 2010). Competitive advantage enables organizations to focus on the profitability of their business operations. Prior to the advent of strategic management, which intensified business competition, the concept of competitive advantage served as a means of ensuring the viability of individual businesses. Entrepreneurs created innovations with which to generate adequate profitability (Garrett, 2010; Garrison et al., 2008).

Sophisticated business practices that stemmed from the principles of strategic management elevated the status of competitive advantage to a means of outperforming and dominating the competition (Garrett, 2010). Organizations orient most of their activities to developing competitive advantage. Capitalism and the free-market system contributed to the evolution of the concept of competitive advantage (Henderson, 2011; Palmer, 2011; Shamir, 2011). Competitive advantage facilitates the maximization of profit at the expense of other business entities. The practice of competitive advantage may lead to the demise of rival organizations, as the prospering business usurps the strengths, skills, and competencies of its competitors.

Current practice of competitive advantage. Competitive advantage enables business leaders to focus on low-cost leadership in the industry, product and service differentiation in the market, effective customer focus, and efficient channels to the markets (Ahmed et al., 2011; Hamel & Prahalad, 2005; Porter, 1996, 2008). Modern business practice seems focused on the need to gain a competitive edge in the market. Organizations continuously evaluate their operating cost in comparison with the competition as well as their product performance in the market.

Ahmed et al. (2011) hinted that customers are the essence for pursuing competitive advantage. Porter (1996) opined that low-cost advantages accruing from improved operational efficiency might be a basis for achieving sustainable competitive advantages. Hamel and Prahalad (2005) enunciated a view that seemed antithetical to the business strategy concept of operational effectiveness advocated by Porter.

Hamel and Prahalad (2005) observed that the competitive advantages derived from low-cost advantage was not sustainable because rivals in the industry quickly copied or implemented similar low-cost processes, thereby curtailing the expanded profitability associated with those procedures. Hamel and Prahalad articulated that global market-oriented initiatives, which elicit customer loyalty, were the basis for long-term sustainable competitive advantages. Accordingly, competitive advantage is a means of translating internal processes improvement to customer-value initiatives as a basis for pursuing global market leadership.

The concept of competitive advantage creates the need to analyze both the internal and external business environment (Kaplan & Norton, 2008; Porter, 2008). Competitive advantage has both inward and outward orientations, as events inside and outside an organization may erupt into competitive advantage. Shih and Lin (2011) indicated that global trade and competition affects competitive advantage.

Business leaders need to know the trends, factors, and events in the global business environment that may affect their competitive advantage. Organizations employ various approaches in obtaining market intelligence and scanning the environment. Business intelligence and market orientation discussed in preceding paragraphs are potent ways to stay abreast of the developments in the marketplace. Organizations use their strengths, skills, and capabilities to exploit their opportunities, weaknesses, and threats of their competitors (Kaplan & Norton, 2008; Porter, 2008).

Businesses also use their strengths, skills, and capabilities to ameliorate their own weaknesses and threats (Kaplan & Norton, 2008; Porter, 2008). Although Porter posited that an enterprise cannot grow beyond the level of profitability available in its industry, Garcia-Castro and Arino (2011) illustrated how a business may use the concept of firm autonomy to outgrow its industry. Excellent initiatives may underlie the sporadic competitive advantage with which an organization can translate its profitability to a benchmark for the entire industry. For example, Anitsal, Brown, and Anitsal (2011) indicated that retailers might create gift cards that can attract and increase customer patronage, thereby accelerating competitive advantage-based growth.

Allenby and Sarewitz (2011) stated that failing to innovate would lead to a loss of market positions to the competition. In the same vein, Soon and Zainol (2011) remarked that creativity and innovation are central to competitiveness. Business innovations are a means of pursuing competitive advantages. The understanding and analysis of the business environment are central to attaining competitive advantage.

Organizations use their competitive advantages to create substantial profitability (Garrett, 2010; Garrison et al., 2008; Hamel & Prahalad, 2005). Competitive advantage is synonymous with generating revenue, which leads to profitability. Competitive advantage leads to the viability and success of business operations. The attainment of competitive advantage enables an organization to attract many customers, thereby expanding its customer base.

Businesses generate revenue from their customers' patronage. The focus on customers is crucial in pursuing competitive advantage (Ahmed et al., 2011). Perhaps this insight informed Drucker's (1954) significant statement that customers are pivotal to the existence of a business. Davies (2008) corroborated by stating that the primary business of an enterprise is to address the needs of customers.

Customers are inextricable from the pursuit of competitive advantage. The litmus test for the efficiency of competitive advantage practice is the extent it targets customers; however, this refers to the outward orientation of the concept. The inward orientation of competitive advantage involves creating superior internal efficiencies that reduce operating cost.

Organizations may increase their profitability when revenue is not growing by lowering their operating cost. The achievement of low-cost advantage is a basis for competitive advantage (Luecke, 2005; Porter, 1996, 2008). Soon and Zainol (2011) opined that creating internal efficiencies leads to competitive advantages.

The low-cost advantage may reflect in the pricing of market offerings eventually, which may attract customers and create further competitive advantage. Similarly, the gains from increased customer patronage may lead to the expansion of capacity and economies of scale, which manifest in reduced cost per unit. Inward- and outward-oriented competitive advantage seems to operate in tandem by affecting each other.

MidwayUSA is a family-owned Internet retailer that aspires to be the best-managed business in America (National Institute of Standards and Technology, 2011f). The company won Malcolm Baldrige National Merit Award in 2009. The company's business strategy is customer focus, by which it orients its processes to customer satisfaction (National Institute of Standards and Technology, 2011f). MidwayUSA demonstrates its commitment to customer satisfaction by hiring employees passionate about the company's offerings (National Institute of Standards and Technology, 2011f).

The hiring approach creates a cultural fit for the organization and ensures employee engagement with customers (National Institute of Standards and Technology, 2011f). The hiring strategy also lowers the company's employee turnover rates compared to competing organizations (National Institute of Standards and Technology, 2011f). MidwayUSA used it customer focus strategy to gain competitive advantage, which reflected in its customer retention of 98%, and customer loyalty of 94%.

Gaps in competitive advantage application. The current practice of competitive advantage is yet to lead to the correction of the inconsistency between financial strategy and customer-based operations (Mallette, 2006). Organizations may develop competitive advantage by creating superior internal efficiencies and developing external defensible positions (Hamel & Prahalad, 2005; Luecke, 2005; Porter, 1996, 2008; Soon & Zainol, 2011). The alignment of all elements of business practice leads to optimal performance as well as enhancing internal efficiency (Anwar, 2008; Mallette, 2006).

Two critical elements of business practice that relate to competitive advantage are financial strategy and customer-centric operation. Mallette (2006) reported a disparity between the two crucial inputs to competitive advantage practice. The imbalance between financial strategy and customer categorization leads to suboptimal practice of competitive advantage.

The practice gap inhibits an effective targeting of customers and addressing their needs. The shortcoming affects potential profitability, as organizations are not sufficiently competitive. Businesses forego the benefits of large-scale production, obtainable from a competitive advantage-based operation.

The current high cost of production may be evidence of inefficiency in global operations, which translates into dismal competitive advantage practice. Inadequate competitive advantage practice retards national economic growth and constricts employment opportunities. Businesses fail as profitability shrinks.

Entrepreneurs lose inspiration as they see the dwindling fortunes of existing businesses. Dismal competitive advantage practice deprives the society of the benefits of new investments and innovations, thereby affecting the quality of life for the populace. Mergers, takeovers, and monopolies characterize the economic climate affected by porous competitive advantage practice. Allenby and Sarewitz (2011) remarked that failing to innovate leads to a takeover by competitors.

Summary of competitive advantage. The ability to provide to customers goods and services that are superior in terms of quality, cost, or channels than the competition is the basis for deriving competitive advantage. Competitive advantage enables organizations to outperform their rivals in the market. Effective business strategy facilitates the attainment of competitive advantage. The domain of strategic management underlies the emergence of the concept of competitive advantage.

The central theme of the concept is getting more customers than the competitors. The concept of competitive advantage relates to customer satisfaction and market orientation concepts by the similarity of their central themes. Competitive advantage drives the orientation of business strategy. Both internal efficiency and external revenue performance inspire competitive advantage; however, inward and outward sources of competitive advantage are interdependent.

The analysis of the business environment is mandatory for a firm that wants to achieve competitive advantage. Enterprises use their strengths to leverage the opportunities and moderate the threats from the external environment as well as ameliorating their weaknesses. Strengths are also a means for exploiting competitors' weaknesses and threats.

Competitive advantage creates huge profit potentials for organizations by expanding the amount of revenue. Unfortunately, the practice of competitive advantage is short of enabling alignment between financial strategy and customer-based operation. The practice gap results in suboptimal performance of business operations. The ninth interview question for the doctoral study emerged from the literature review on competitive advantage: describe the basis for your organization's competitive edge in the marketplace.

Summary of customer categorization. Customer categorization activity enables organizations efficiently to classify their customer base and focus on the needs of the customers. The intent for categorizing customers is effectively to address their needs. Customer categorization is a fundamental business activity because of the importance of customers in business success. Customers are central to revenue generation.

Inadequate revenue may lead to an operating loss and may threaten the stability of the business. Organizations attain the ideals of customer categorization by addressing three critical elements: (a) customer satisfaction, (b) market orientation, and (c) competitive advantage. Customer satisfaction creates a high level of customer patronage, which translates into both revenue and profitability. The entire focus for business operation is to develop goods and services that satisfy the needs of customers.

The goals for customer satisfaction underlie some corporate social responsibility initiatives. In essence, the concept of corporate social responsibility inspires customer satisfaction practice. Businesses use market intelligence to understand customers' needs, which leads to a plan for satisfying them. Market orientation practice enables organizations to obtain market intelligence and adapt their operations to the realities of the market.

Market orientation informs marketing strategy and contributes to formulating financial strategy. Market orientation is a subset of business intelligence. Market orientation process illuminates competitor activities, constraints to profitability, and optimization of business activities. Market orientation may be an innovation tool, as the process leads to creative ideas used in developing new solutions.

Organizations use market intelligence to address the challenges associated with change and uncertainty in the market. The practices of customer satisfaction and market orientation enable businesses to develop competitive advantage in the marketplace. The firms that deliver superior goods and services to customers may develop a competitive advantage in the marketplace.

The practice of competitive advantage expands the level of profitability available to a company because of the high volume of revenue generated from operations. Competitive advantage drives the orientation of business strategy and activities.

Customers are the central theme of customer satisfaction, market orientation, and competitive advantage.

The analysis of the business environment is mandatory for a customer-centric business. Essentially, there is interdependence among customer satisfaction, market orientation, and competitive advantage. The three concepts complement each other. Unfortunately, the current practice of each of the concepts has loopholes that inhibit the alignment of financial strategy with customer categorization.

Summary of Literature Review

The topic of this doctoral study, Aligning financial strategy with customer categorization based on environmental scanning, created relevant contexts for the review of the literature pertaining to the study. Three main topics emerged for the literature review, consisting of environmental scanning, financial strategy, and customer categorization. Environmental scanning facilitates the acquisition of information on trends, factors, and events that may affect business operations or customer behavior. The literature review of environmental scanning indicated that three focal activities underlie the accomplishment of environmental scanning function: business intelligence, investment opportunity, and innovativeness.

Business intelligence triggers environmental scanning process by creating awareness of environmental sensitive information. The indispensable illuminations from business intelligence guide organizations in developing suitable market offerings that will meet customers' needs. Investment opportunity enables businesses to translate business intelligence insights into strategic investment opportunities. A major hint from the literature review is that uniformed investment in products and services yield inadequate market results.

Environmental scanning function, therefore, does not end with obtaining environmental information, but includes the interpretation and application of the information. Innovativeness, the third aspect of environmental scanning, enhances investment opportunity practice by enabling enterprises to develop superior operations or technology. Information from business intelligence circulates through investment opportunity process and ultimately causes innovativeness. The literature review indicated that innovativeness precipitates superior performance and market dominance.

The focus for financial strategy is the planning of adequate funding of the strategic offerings developed in investment opportunity process. The business intelligence information on which organizations predicate their investment opportunity activity is also the basis for determining the parameters of financial strategy. Organizations can preview their potential profitability from the projections of business intelligence and investment opportunity, as well as the impact of innovativeness. The literature review hinted that efficient funding of business operations facilitates the attainment of profitability goals and the potentials for satisfying customers' needs.

Environmental scanning, therefore, underlies financial strategy function. Three subtopics emanated from the review of the literature relating to financial strategy: funding business operations, profitability, and capital structure. Funding business operations facilitate the evaluation of alternative funding options, as a basis for selecting the most viable funding approach.

Efficient funding enhances operations and improves profitability. Profitability quantifies and measures operating performance in financial terms. Profitability enables the assessment of the success of investment opportunity activities. The level of profitability might be indicative of the extent of customer satisfaction, as profitability depends extensively on customers' patronage.

The hints from the literature review are that profitability influences the capital structure of a firm. The internal funds generated from operations promote financial flexibility by enabling a low-debt capital structure. Capital structure is the framework of long-term funds employed in an organization. The literature review indicated that efficient funding of operations and profitability minimizes the weighted average cost of capital, which is the goal for capital structure.

The essence of environmental scanning and financial strategy functions is adequately, to satisfy the needs of customers, which is central to generating maximum profitability. Environmental scanning identifies customer behavior and characteristics. Financial strategy incorporates the customer-centered operational focus indicated by environmental scanning. Customer categorization activities facilitate the implementation of financial strategy by creating a high-level focus on customers.

Customer categorization is an element of marketing strategy as it involves an exclusive focus on customer issues. Organizations use customer categorization to classify their customer base in a way that enables them to address the needs of each customer class. The three subtopics that emerged from the review of literature relating to customer categorization are customer satisfaction, market orientation, and competitive advantage.

Customer satisfaction entails focusing business practice on the creation of values for customers. Customer satisfaction promotes viability in business by creating customer loyalty and adequate profitability. Customer satisfaction practice is a prelude to market orientation. Market orientation enables business leaders to align their operations with the needs of the market.

Market orientation involves a continuous probing of the market for relevant intelligence that will guide business activities. Market intelligence, therefore, shapes the evolution of a company that practices market orientation. Interestingly, the literature review indicated that customer satisfaction and market orientation practices generate feedback information to business intelligence activity of environmental scanning.

The feedback eventually loops into the financial strategy process, which contributes to the quest for competitive advantage. Competitive advantage is the ability to deliver superior offerings to customers. Competitive advantage enables organizations to outperform their competitors by generating higher than expected profits.

Customer satisfaction is intrinsic in and inextricable from competitive advantage. The overriding goal for environmental scanning, financial strategy, and customer categorization functions is to develop sufficient and sustainable competitive advantage that translates into maximum profitability and market dominance. The literature review concludes Section 1 of this doctoral study and creates a need to transition to Section 2.

Transition and Summary

Section 1 contained the contextual issues and problems that precipitated this study. The purpose of the study was to explore the misalignment of financial strategy with customer categorization, resulting from deficient environmental scanning strategies. The research question for the inquiry is: how does environmental scanning support an effective financial strategy compatible with customer categorization? The main topics of the literature review are environmental scanning, financial strategy, and customer categorization.

The literature review indicated a need to link the processes of environmental scanning, financial strategy, and customer categorization. Unfortunately, the literature review also indicated a gap in the alignment of financial strategy with customer categorization because of inadequate environmental scanning strategies. The intent for this study was to address the practice gap identified in the literature review.

The study may enhance the business environment scanning practice, financial strategy formulation process, targeting of customers and market positioning of organizations that use the recommendations. The study results may lead to business success and survival for the host organizations and retail businesses in general. The host city may benefit from flourishing business activities by achieving increased income levels, employments, and development of the community. The doctoral study, therefore, may be a means of effecting social change by inspiring positive attitude in the populace.

Section 2 contains information on the research methodology. The role of the researcher, participants, and a detailed description of the research method and design for the study are some of the subjects for section 2. Section 3 is the results of the study that emerged from data analysis. I used the procedures discussed in section 2 to collect data from two retail organizations in the transportation and logistics industry. Section 3 also indicates the application of this study to professional practice and implications for change.

Section 2: The Project

Section 2 contains further discussions and descriptions of the doctoral study. The emphasis in this section is on the business project purpose, illuminating the alignment of financial strategy with customer categorization based on adequate environmental scanning strategies. Section 1 of this doctoral study indicated that the deficiency of environmental scanning approaches is responsible for the misalignment of financial strategy with marketing strategy-based customer categorization (Mallette, 2006). Business organizations miss revenue opportunities and sustain losses in excess of $100 million every decade because of an inability to detect relevant trends and factors in the business environment, signaling a need for strategic response (De Fontnovelle et al., 2006). Section 2 includes further information on how the doctoral study will lead to the resolution of the identified problem.

Purpose Statement

The intent to explore how environmental scanning underlies the alignment of financial strategy with customer categorization of the retail businesses in a large city in the Midwest of the United States predicates this qualitative research, using multiple-case study design. The intent of the study was to identify and create additional processes and management skills needed for the 21st century. The value of the study may be beneficial to the retail businesses and organizations in general, in the geographical location and host community. The study results may enable business leaders to improve their environmental scanning process, trend-related information analysis, financial strategy formulation, targeting of customers, and market positioning.

The doctoral study has potential for boosting the profitability of business enterprises, as enhanced environmental scanning strategies may facilitate efficient exploitation of business opportunities (Anwar, 2008; Mallette, 2006). Consequently, the study results may enable an expansion of employment positions in business organizations, thereby elevating the economic wellbeing of the society. Negative social behaviors associated with unemployment may decline with the engagements of the community in flourishing business activities occasioned by this study.

The doctoral study, therefore, is a catalyst for social change, based on the potential for driving positive transformations in the business community. The study contributes to and extends the body of knowledge available to the society. Researchers and professional associations may use the study to develop theories, concepts, or constructs for improving the quality of human existence. The role of a researcher affects the conduct of a study by promoting a positive relationship on the project.

Role of the Researcher

My role as the researcher in the conduct of this study was observer and participant. The dual roles of observer and participant enabled me to develop interview questions, conduct the interview, gather data, analyze, and interpret results. The disclosure of the intended role created an opportunity for me to note pieces of evidence as they manifested during the project (Creswell, 2009).

I led the project; organized and scheduled research activities; defined the roles and responsibilities of participants; collected and transcribed data; coded, analyzed, and interpreted the data; and prepared the doctoral study report. Interviews consisted of face-to-face interactions between participants and me. I noted observations of nonverbal cues, long pauses, notable gestures, and visual aids introduced by participants during interviews.

I have employment responsibilities in the research sites that facilitated data collection. Leaders of the selected organizations knew about the research project and data collection process. Representative authorities of the participating organizations signed written permissions to use their premises, thereby granting access to the location, participants, and relevant research data. The signed forms for granting access are in Appendices B and C.

The idea and topic of this doctoral study originated from the context of my work environment. The solution of a practical business problem underlined the orientation of this research (Maxwell & Kupczyk-Romanczuk, 2009). The articulation of the problem from the perspective of a doctoral-level researcher enabled an empirical investigation into the situation.

My involvement in the selected research-site organizations may have implications for researcher bias in the study. To restrain from introducing researcher bias, I relied exclusively on interview data and participant observations from both research-site organizations. Triangulation of sources validated the credibility of the study findings

(Stavish, 2007). Doctoral-level peers reviewed the process used in reaching conclusions for the study, as part of the effort to ensure high quality in the research. Identifying and engaging qualified participants in a research project is crucial to the completion of a study.

Participants

The study population consisted of retail businesses in a large city in the Midwest of the United States. Two small and medium scale enterprises similar in size, employing 100 to 200 workers (Sunday, 2011) served as the research organizations and constituted the sample of the study. The businesses are involved in transportation and logistics; they are comparable to each other in terms of industry and service offerings. Purposeful and convenience sampling were the basis for selecting both research sites and participants that aided the discovery process of answering the research question and addressing the problem statement (Creswell, 2009; Kohn, 2005). Many researchers employed similar sampling techniques used in this study in selecting their sample.

Kohn (2005) employed a purposeful sampling technique in a longitudinal qualitative case study. Stavish (2007) used convenience sampling to select the research organization for a qualitative case study. Elci (2009) employed purposeful sampling in a qualitative study. Unlike random sampling or probability analysis that is applicable to quantitative research, the nature of the empirical evidence that would generate answers for the research question was the premise for using a purposeful sampling technique

(Creswell, 2009). Convenience sampling, on the other hand, enabled easy access to relevant empirical evidence.

The sample size of two retail businesses was appropriate because it ensured the collection of sufficient data with which to understand the problem and the research question. In addition, the sample size facilitated the conduct of a detailed, in-depth investigation (Brown, 2010; Casey & Houghton, 2010; Gelo et al., 2008; Yin, 2009). In addition, the sample size involving more than one retail business was appropriate because of the need to provide broad contexts and characteristics for generalizing the results from the qualitative multiple-case study research (Creswell, 2007; Yin, 2009).

Generalized results from a multiple-case study research are more reliable than those from a single-case study, as the sample permits a comparison of the circumstances of different organizations during data analysis, thereby leading to rich findings from the study (Brown, 2010; Casey & Houghton, 2010; Gelo et al., 2008; Yin, 2009). The depth of investigation in a case study project, however, tends to decrease with the addition of more cases to the study (Davies, 2008). Limiting the number of cases that defined the sample to two retail businesses preserved the intended detailed investigation.

The participants in the project from the two research sites are colleagues and associates or fellow employees with whom I have professional relationship. The participants received a full explanation of the project implications, which enabled them make an informed decision on voluntary participation, as required by Walden University Institutional Review Board (IRB; Walden University, 2011b). Study participants resided in a large United States Midwest city where the research-site organizations have operations. The purposeful sample size that was representative of the population consisted of 30 participants from both organizations, including five executives, five managers, 10 marketing and sales operations staff, and 10 finance and accounting personnel. Stavish (2007) observed fellow executives and senior staff members while investigating how the organization engaged in environmental scanning. Although this sample strategy seems as *backyard* research, in which studying a researcher's organization may have a potential bias implication, it enhances the convenience and ease of data collection (Creswell, 2009). The employment of appropriate and adequate strategies ensured quality and accuracy of the findings in this study (Creswell, 2009).

Participation in the project depended on the voluntary consent or willingness of the participants. All study participants signed Informed Consent forms (see appendix D), as required by the IRB (Walden University, 2011b). The focus for a qualitative research method is primarily on participants' perspectives of the phenomenon under study (Creswell, 2007; Yin, 2009). I emphasized the importance of the views of the project participants as a basis for ensuring a cordial research environment and mutual commitment to the project. In addition, the definition and explanation of the role of each participant and the researcher helped to minimize or eliminate confusion in the research process (Creswell, 2009).

The IRB seriously considers the ethical protection of research participants. One requirement for a doctoral research involving human subjects is to pass a web-based training course on *Protecting Human Research Participants* hosted by the National Institute of Health (NIH), Department of Extramural Research (Walden University, 2011b). I successfully completed the NIH training (certificate number: 569704).

The Walden University IRB approved a field research application before commencing data collection (Walden University IRB approval #02-16-12-0252844). The application included a description of risks and benefits from the research, measures to protect participants from harm, right to privacy, confidentiality of information, honesty, and transparency with the professional community, informed consent of participants, approval from authorities, and conflicts of interest (Walden University, 2011b). The participants knew about their rights to withdraw or cease from participating in the project at any time (Creswell, 2009; Walden University, 2011b).

The identity of the participants remained confidential and not disclosed. Instead, the use of coded identities for interview respondents ensured the confidentiality of the participants. Most of the research data were electronically saved on an access-restricted, password-protected computer that I kept, to prevent any unauthorized access to the database. The research data not saved electronically are in a locked box stored in a secure location. I will retain all the data for at least 5 years before deleting them from the database or destroying the hard copies. The research method foreshadows the nature of empirical evidence that participants may provide to help answer the research question.

Research Method

The identification and justification of the research method that predicated the conduct of this study are the subjects of discussion in this subsection. The discussion indicates the selected research method as well as the basis for selecting it instead of alternative methods. The discussion in this subsection is an expansion of the information provided in the Nature of the Study in Section 1. A research method predicates the orientation, approach, techniques for data collection, nature of data analysis, and presentation of findings from the study (Creswell, 2009; Gelo et al., 2008; Johannesson, 2010; Yin, 2009).

The problem and purpose statements and research question allude to the research method that may be appropriate for a study (Creswell, 2009; Koro-Ljungberg & Hayes, 2010; Yin, 2009). The research method employed in a study needs to align with the purpose statement and depict the research worldview implicit in the study (Creswell, 2009; Gelo et al., 2008). The alignment of the research method with the purpose statement and worldview for this study ensured a coherent research process. The conduct of a typical academic study involves the use of one research method: qualitative, quantitative, or mixed methods.

The biggest difference among the research methods is in data collection and analysis. The research method for this doctoral study is a qualitative method. A qualitative research method is a contemporary procedure used in investigating and exploring meanings and themes underlying a phenomenon, context, idea, or situation

(Creswell, 2009; Haunschild & Eikhof, 2009; Yin, 2009). The use of qualitative research enables the abstraction of meanings and themes from a set of word-based data, implying an approach to data analysis different from a scientific, deterministic method (Creswell, 2007; Elo & Kyngäs, 2008; Gelo et al., 2008; Yin, 2009).

Historically, the qualitative research method emerged to address the vagueness associated with some quantitative variables-encoded information, and the difficulty of extracting a reasonable conceptual interpretation from such information (Gelo et al., 2008). The participants' view of the situation or phenomenon under study guides the conduct of qualitative research, as the researcher learns from the participants' perspectives on the issues under investigation (Creswell, 2007; Epstein, 2008; Yaman, 2010). Contrary to the use of scientific procedures for data analysis in quantitative research, the process for data analysis in a qualitative study encompasses data coding, abstraction of meanings and themes, detailed descriptions, classifications, comparison of patterns with propositions, and interpretations (Creswell, 2007; Elo & Kyngäs, 2008; Gelo et al., 2008; Yin, 2009). Many tools facilitate the gathering of data in a qualitative inquiry (Charmaz, 2006; Creswell, 2007; Czarniawska, 2004; Denzin & Lincoln, 2005), including "observations, interviews, documents, audiovisual material, field notes, archival materials, reports, and artifacts" (Creswell, 2009, p. 179).

Multiple data collection techniques are commonly employed in a qualitative study (Creswell, 2009), which may facilitate triangulation of evidence to compensate for the absence of a scientific, objective procedure present in quantitative research (Creswell, 2007). The absence of objective, verifiable, scientific procedures in qualitative research creates a requirement to reflect rigor in the data analysis. Ryan-Nichols and Wil (2009) stated that the use of logic and systematic analysis strengthened arguments in rigorous qualitative research. Rigor in a qualitative research reflects the quality and potential for credibility (Bradbury-Jones, 2007).

Perhaps the greatest challenge to researchers is the need to associate the academic rigor implicit in their research inquiry with relevance, as a basis for practical solutions to business problem (McGahan, 2007). Significant disparity between theory and practice would exist if scholarly studies were not perceived as facilitating solutions to practical problems (Van de Ven & Johnson, 2006). The quality of any research depends on the trustworthiness, credibility, verifiability, and reliability of the study (U.S. Government Accountability Office, 1990). Appropriate strategies have to be formulated and implemented to ensure accuracy and quality in a study.

Data triangulation enhances the accuracy and quality of a qualitative study (Stavish, 2007), and is the basis for ensuring rigor in data analysis (Bradbury-Jones, 2007; Ryan-Nichols & Wil, 2009). Figure 3 illustrates how the study involved the use of qualitative data from two research site-organizations. The qualitative data comprise interview responses and observational information from participants in the two retail businesses. The qualitative data relate to the practice of environmental scanning, financial strategy, and customer categorization in the two organizations (see Figure 3).

Similar interview questions, codes, and potential themes underlie both the data collection from the participants and the data analysis of the study. I reviewed the empirical evidence and emerging themes from the two organizations, based on several techniques of data collection to determine if similar results and findings are applicable to the two research sites. A cross-case synthesis approach to data analysis (Yin, 2009), involving two research sites informed the study conclusions on using adequate environmental scanning strategies to establish an alignment between financial strategy and customer categorization (see Figure 3).

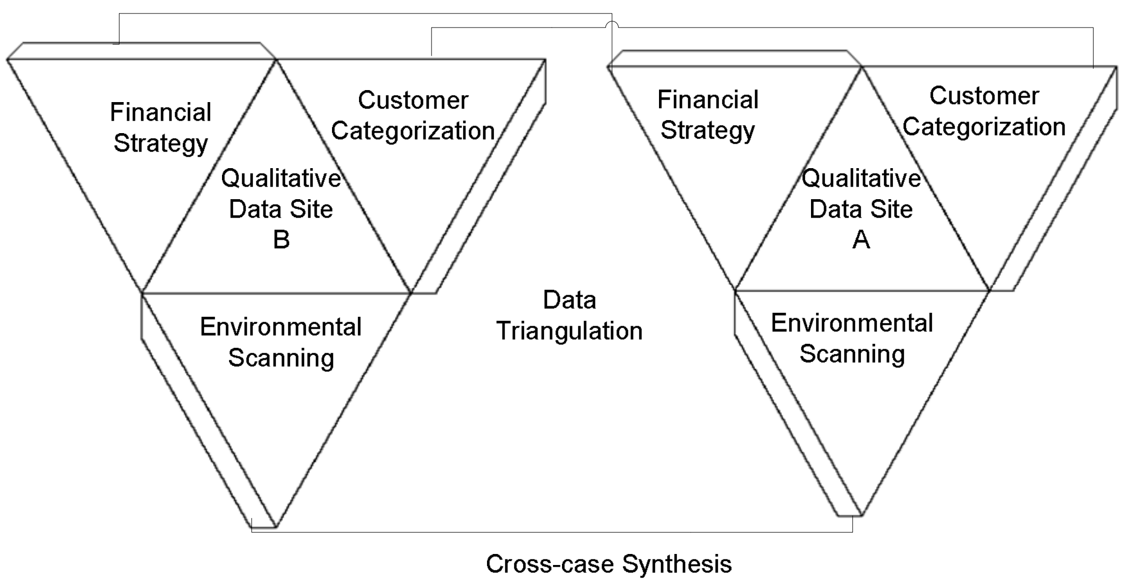

Figure 3. Diagram of multiple triangulations.

The problem and purpose statements, which indicate a need to explore the integration of environmental scanning into the processes of aligning financial strategy with customer categorization, informed the choice of a qualitative method for this doctoral study (Creswell, 2009; Dibley, 2011; Elo & Kyngäs, 2008; Gelo et al., 2008;

Lewis, 2011; Stavish, 2007). A qualitative method is suitable for a study in which the intent is to explore, describe, analyze, or discover an incident's phenomena (Creswell, 2009; Yin, 2009). Using qualitative research enabled me to conduct the study from the perspectives or views of participants. The participants' insights into the contextual issues illuminated and expanded my understanding, thereby creating a capability to address the problem and purpose statements (Dawson et al., 2011; Dibley, 2011; Epstein, 2008; Lewis, 2011). Purposeful and convenience sampling techniques, which predicated the selection of research sites and participants for the study are relevant only in qualitative research (Stavish, 2007).

The research question for the study reflects an exploratory investigation, implying the suitability of qualitative method (Bryman, 2007; Creswell, 2007; Koro-Ljungberg & Hayes, 2010). The pertinence of sourcing adequate and relevant empirical evidence with which to address the research question informed the preference of a qualitative method versus other research methods. A quantitative method was not suitable for addressing the exploratory-oriented problem and purpose statements because it involves the use of hypotheses to narrow an inquiry (Gelo et al., 2008; Stavish, 2007). A quantitative method also involves testing the statistical relationship between variables (Gelo et al., 2008; Stavish, 2007). The predictive tendency of a quantitative method is antithetical to predicating the study on participants' views (Epstein, 2008).

A review of several similar studies indicated the appropriateness of a qualitative method for this inquiry. Stavish (2007) used a qualitative research method to explore how nonprofit boards of directors scan the environment. The use of a qualitative method enabled Stavish to employ purposeful and convenient sampling techniques in selecting research site-organizations and participants for the study. Stavish used a naturalistic approach of inquiry by collecting data from participants in a natural setting. Stavish also used rigorous methodology for data analysis, involving abstraction of themes, categorization, and triangulation.

Clemens (2009) used a qualitative methodology to explore environmental scanning and scenario planning. A qualitative method enabled Clemens to observe that environmental scanning is central to developing effective executive foresight capacity, which is indispensable during periods of rapid change and uncertainty. Clemens used propositions and detailed descriptions in his qualitative method-based data analysis.

Kohn (2005) employed qualitative method in a study on generating ideas for new products using business environmental scanning. A qualitative method enabled Kohn to predicate his data gathering on participant observation and interviews. Based on the noted research studies, a qualitative method is a reliable basis for addressing the problem and purpose statement, and research question for this doctoral study. A multiple-case study design was the qualitative approach for the study.

In conclusion, the qualitative research method guided the conduct of this study and predicated the methodology for data analysis. The need to understand the problem under study from the perspectives of the participants was one reason for selecting a qualitative method. A quantitative method was not ideal for the project because it does not allow an emerging or broad inquiry. Data triangulation, based on cross-case synthesis of the empirical evidence from two research sites was part of the means of ensuring quality in the study. The research design that facilitated the use of a qualitative method for the study is a multiple-case study design.

Research Design

The focus for this subsection is to identify and justify an appropriate qualitative research design for this study. The explanation for selecting one research design instead of alternative designs is part of the discussions in this subsection. The discussions also include why the selected design is appropriate to the problem under study, as an expansion of the information provided in the Nature of the Study in Section 1. Research design is the hub of the process for obtaining and connecting relevant data to the research question and as a basis for establishing a verifiable conclusion for the inquiry (Creswell, 2007; Gelo et al., 2008; Yin, 2009). A multiple-case study design was the basis for exploring the problems of the study (Cooper & Morgan, 2008; Miles & Huberman, 1994).

Historically, case study research evolved from the need to "understand complex social phenomena" (Yin, 2009, p. 4). Multiple-case study design, therefore, involves the investigation of complex real-life contextual issues and contemporary phenomenon (Brown, 2010; Casey & Houghton, 2010; Creswell, 2007; Järvensivu & Törnroos, 2010; Rosenberg & Yates, 2007; Stake, 1995; Stavish, 2007; Yin, 2009). Multiple-case study design is a naturalistic approach to inquiry (Lincoln & Guba, 1985; Yin, 2009). Using a multiple-case study design enables the identification of the problem as cases bounded by time or location (Brown, 2010; Cooper & Morgan, 2008; Yin, 2009).

Multiple-case study design involves a “detailed, in-depth data collection from multiple sources” (Creswell, 2007, p. 73), including observations, interviews, documents, reports, and audiovisual materials (Creswell, 2007; Denzin & Lincoln, 2005; Gelo et al., 2008; Yin, 2009). The contexts and circumstances of the research-site organization need to be considered before generalizing the results from a case study research (Brown, 2010; Creswell, 2007; Stake, 1995; Stavish, 2007; Yin, 2009). Multiple-case study design, which facilitates cross-case synthesis for data analysis, enables the discovery of more findings than in a single-case study research (Brown, 2010; Merriam, 1998; Yin, 2009).

Accordingly, generalizing the results from multiple-case study research leads to better conclusions to project to other settings and environments than using a single-case study (Brown, 2010; Gelo et al., 2008; Yin, 2009). A large number of cases in a research, however, reduce the depth of investigation in each case (Creswell, 2007; Yin, 2009). L. Brown declared that the “purpose of a case study was not to survey a broad area, but to focus on a small, discrete area of interest” (p. 4). The intent in a case study is to project the participants views based on multiple sources of data (Brown, 2010; Creswell, 2007; Stake, 1995; Stavish, 2007; Yin, 2009).

Multiple-case study design facilitated an in-depth investigation of the inadequacy of environmental scanning, which reflects in the misalignment of financial strategy with customer categorization. Multiple-case study design, therefore, was appropriate for the problem under study. The premise for choosing a multiple-case study approach was the multiple data collection techniques associated with the design, including interview, observation, document review, reports, audiovisual, archival materials, and field notes (Brown, 2010; Creswell, 2007; Stake, 1995; Stavish, 2007; Yin, 2009).

Multiple-case study design enabled the sourcing of relevant and adequate data, related to the problem and purpose statements and research question (Creswell, 2007; Gelo et al., 2008; Yin, 2009). The employment of cross-case synthesis in the multiple-case study data analysis generated high-quality results from the research (Gelo et al., 2008; Yin, 2009). Figure 2 depicts the cross-case synthesis of qualitative data from the two research sites.

Cross-case synthesis entails triangulating data from different sources. For the purposes of this study, cross-case synthesis was the basis for triangulating data from the two research site-organizations. L. Brown (2010) posited that researchers could evaluate several factors and circumstances in research involving a multiple-case study, which may not be apparent in a single-case study. In the same vein, the external validity of a multiple-case study design-based research is more reasonable than generalizability of a single case study results because of the consideration of multiple contexts and circumstances in the study (Denzin & Lincoln, 2005; Yin, 2009).

The unit of analysis for a narrative design, an individual, made the design inappropriate for this doctoral study (Czarniawska, 2004; Dawson et al., 2011; Dibley, 2011; Lewis, 2011). The focus for a narrative qualitative design is the lived experience of an individual, not a business organization (Creswell, 2007; Lewis, 2011). Grounded theory design facilitates the discovery of theories in basic research (Charmaz, 2006; Purcell-Gates et al., 2011; Thomas, 2011). Grounded theory is not appropriate for the intended inquiry as it is not oriented toward applying theories to business practice (Creswell, 2007; Lester, 2004; Neumann, 2005; Walden University, 2011c).

The selected multiple-case study incorporates some aspects of a phenomenological design used to establish the meanings of lived phenomenon (Epstein, 2008). A distinct phenomenological design, therefore, was not necessary for the study as the shared experiences of the participants were part of the characteristics of the multiple-case design (Creswell, 2007; Yin, 2009). In the same vein, ethnographic analysis, used to examine shared patterns of beliefs and culture was an element of the selected multiple-case study design, which enabled the inclusion of a cultural dimension in the analysis (Creswell, 2007; Yin, 2009). A separate ethnographic study was not necessary.

Many scholars have used a multiple-case study design to investigate contexts and phenomena in areas pertaining to the proposed study. A review of several similar studies, therefore, indicated the appropriateness of a multiple-case study design for this doctoral inquiry. Davies (2008) used a qualitative multiple-case study approach to explore how environmental scanning by systems integration firms improves their business development performance. Davies posited that a research involving multiple-case study generated sufficient empirical evidence that underlie credible generalization.

Kisunzu (2011) predicated his inquiry on the excellent change initiatives of three Malcolm Baldrige Award-winning organizations on multiple-case study design. Kisunzu opined that a multiple-case study design enabled the use of cross-case analysis to determine the basis for grounding anticipated organizational changes. In the same vein, cross-case synthesis analysis underlies data analysis in this multiple-case study research.

Some single-case study researchers related to the topic of this doctoral study highlight the pertinence of in-depth investigation involved in all case study-oriented inquiries. Stavish (2007) employed a qualitative case study design in the study: How Nonprofit Boards of Directors Scan the Environment. Stavish observed that case study is most appropriate for a study intended for an exhaustive and rounded investigation.

Kohn (2005) employed qualitative case study design in the study: Idea Generation in New Product Development through Business Environmental Scanning. A case study approach enabled Kohn to use both participant observation and interviews to conduct a rigorous and detailed inquiry. Likewise, participant observation and interviews were the main data collection techniques for this in-depth case study research. Based on the noted research studies, a multiple-case study design was a reliable qualitative approach for this study.

In conclusion, the use of a multiple-case study design in this research enabled successful resolution of the issues on the problem statement. The chosen design guided the finding of adequate answers to the study research question. The unit of analysis for a narrative design, and the basic research nature of a grounded theory design were the basis for not selecting them for the applied research-oriented study. Finally, the incorporation of some aspects of phenomenology and ethnography into the selected multiple case study design precluded the choice of the two separate designs for the research. The alignment of research design with sampling method enables the identification and selection of an appropriate sample from the study population.

Population and Sampling

The discussions in this subsection include a description of the population, the sampling method, and the sample size of the doctoral study. The intent for the subsection is to address the eligibility criteria for study participants, the relevance of the characteristics of the selected sample, and a justification for the number of participants. The population for the study is the retail industry. Purposeful and convenience sampling methods were the basis for selecting the research site-organizations and participants. The study consisted of a sample size of two retail enterprises.

Businesses in the retail industry composed the population of the study. Although focusing the research on a large Midwest American city delimits the study, the selected sample served as a means of researching the entire retail industry. The results and conclusions based on the sample, therefore, were applicable to all entities in the retail industry (Brown, 2010; Creswell, 2009; O'Brien, Bayoumi, Davies, Young, & Strike, 2009; Yin, 2009). A *retail business* is defined as a profit-oriented enterprise that sells or provides goods or services to end user customers, and which substantially funds its operations from profitability (Aw & Soo, 2010; Song, 2011).

The quality and generalizability of a study results underlie the importance of sampling in qualitative inquiry, as the sample employed is the basis for determining the extension of the results to other settings (O'Brien et al., 2009). Purposeful and convenience sampling were the basis for selecting both research sites and participants for the study. Purposeful and convenience sampling enabled the identification of the sources for answering the research question and addressing the problem statement (Creswell, 2009; Kohn, 2005).

Purposeful sampling involves a deliberate selection of individuals or entities, who or which possess the information that might assist in addressing the question under study (O'Brien et al., 2009). The research question for the study was central to the choice of purposeful sampling. The ease of accessing the research sites and participants informed the employment of convenience sampling in the study (Creswell, 2007; Stavish, 2007; Yin, 2009).

The Institutional Review Board (IRB) stipulates a 1-year period for completing a study upon the approval for data collection (Walden University, 2011b). Potential constraints in identifying willing participants, which may hinder the timely completion of the project, predicated the selection of convenience sampling method. Although studying a researcher's organization has potential bias implications, it nonetheless enhances the convenience and ease of data collection (Creswell, 2009). Purposeful and convenience sampling facilitated the selection of participants in several qualitative studies pertaining to this inquiry.

The appropriateness of purposeful and convenient samplings for this doctoral study may depend on a review of several similar studies. Kisunzu (2011) employed purposeful sampling in selecting three Malcolm Baldrige Award-winning organizations for a study on excellent change initiatives and performance. Purposeful sampling enabled Davies (2008) to select four organizations listed in a regional publication for an inquiry on environmental scanning by systems integration firms.

Kohn (2005) used a purposeful sampling technique to address the research question in a longitudinal qualitative case study: Idea Generation in New Product Development through Business Environmental Scanning. Stavish (2007) used convenience sampling to select the research organization for a qualitative case study on How Nonprofit Boards of Directors Scan the Environment. Elci (2009) employed purposeful sampling in a qualitative study on An Exploration of Open Innovation: An Environmental Scanning Perspective. Based on the noted research studies, purposeful and convenient samplings are a reliable sampling strategy for this inquiry.

The study comprised a sample size of two retail businesses. A research involving two organizations was appropriate because of the need to conduct a thorough in-depth investigation in the timeframe of the study (Yin 2009). Increasing the sample size in excess of two institutions might undermine the depth of inquiry in each organization (Davies, 2008). In the same vein, the sample size of two businesses enabled multiple dimensions for assessing the quality and trustworthiness of the project using data triangulation (Stavish, 2007). The selected sample size led to sufficient contexts and premises for generalizing the study results to the population (Brown, 2010; Denzin & Lincoln, 2005; Stake, 1995; Yin, 2009).

L. Brown (2010) posited that generalized results from a multiple-case study research are more reliable than those from a single-case study. Limiting the number of cases in the project to two research sites will preserve the depth of investigation in each case (Brown, 2010; Casey & Houghton, 2010; Creswell, 2007; Davies, 2008; Gelo et al., 2008; Yin, 2009). Davies and Stavish (2007) are remarkable examples for the sampling approach in this study in that the scholars used purposeful and convenience sampling to select organizations with which they had employment relationships. Likewise, purposeful and convenience sampling informed the selection of retail businesses with which I have employment relationship.

Yin (2009) stated that the participants in a case study must be knowledgeable in the topic of the research. Yin also indicated that an organization encountering a problem related to a research phenomenon would constitute a potential case study research site. The eligibility criteria used for selecting participants include that participants must be employees of the selected retail businesses who have spent at least a year with the organizations. The employees must be knowledgeable in the business processes of the organizations, especially in the areas of environmental scanning, strategy formulation, sales operations and marketing, finance, and accounting. The employees must also be at least 18 years old. The conduct of this study took place in research settings that had experienced the problems of misalignment of financial strategy with customer categorization and inadequate environmental scanning strategies. The eligibility criteria for selecting research settings included that they must be for-profit businesses engaged in transaction relationships with end users, and which intend substantially, to fund their business operations from internally generated, customer-based, revenue proceeds (Badulescu, 2010; Calandro & Flynn, 2007).

A requisite knowledge was essential because the intent for the study was to explore the process of integrating environmental scanning into the alignment of financial strategy with customer categorization. The need to enlist participants with adequate knowledge and experience in the companies' practice of environmental scanning, financial strategy, and customer categorization informed the subgroup used in the study (Yin, 2009). Thirty employees participated in the research. Thirty participants was appropriate because of the need to exceed the minimum 20 participants stipulated for a phenomenological study (Walden University, 2011a), as this multiple-case study entailed in-depth investigation of the issues under study (Stavish, 2007; Yin, 2009). The number of participants could not exceed 30 because only the employees in the relevant functions of the organizations were eligible to participate. Participants in the study included three vice presidents, one chief financial officer (CFO), one controller, five managers, 10 supervisors, and 10 nonsupervisors; drawn from the executive team, management staff, sales operations, marketing, finance, and accounting functions. Three vice presidents, one chief financial officer (CFO), and one controller were adequate because they were the heads of the functions selected for the research. Five managers, 10 supervisors, and

10 nonsupervisors were appropriate for the study because of the staffing level of the functions investigated and the need to collect abundant empirical evidence.

Stavish (2007) selected three subgroups that consisted of 15 board members, some senior-level staff members, and one consultant for his qualitative case study on how boards of directors engaged in environmental scanning. Stavish's subgroup comprised a high proportion of executives because the focus was on the environmental scanning activity of boards of directors. The objective of this doctoral inquiry, however, was to address organization-wide use of environmental scanning to align financial strategy with marketing strategy-based customer categorization. The study affects the activities of executives, managers, supervisors, and nonsupervisors engaged in the functions of environmental scanning, strategy formulation, sales operations, marketing, and finance and accounting. The use of subgroup and sample size in Stavish's (2007) study were insightful in determining the appropriate subgroup and sample size for this inquiry, as Stavish's research is similar to this doctoral study.

The purpose and problem statements for the study underlie the criteria for the research settings. In a qualitative case study on environmental scanning and financial strategy, Mallette (2006) selected a research setting that funded its for-profit business operations with revenue proceeds from customers. The selected research settings for this study are for-profit retail businesses that depend largely on profitability for meeting their funding needs.

The selected research settings were appropriate for the study because they exemplified the problems enumerated in the problem statement. Mallette's (2006) study is the hook for the specific problem explored in this inquiry. The research setting used in Mallette's case study, therefore, created a good model for selecting research settings for the research.

In conclusion, the population of this study is the retail industry. Purposeful and convenience sampling enabled the selection of a two-research site sample. Multiple research organizations facilitate the generalizability of the study results, as the project incorporates different settings. Participants must have at least 1-year experience in the business of the retail organizations.

The participants must also understand the practices of environmental scanning, financial strategy, and customer categorization of the retail businesses. The research settings comprised two retail businesses that experienced the problems of misalignment of financial strategy with customer categorization, and inadequate environmental scanning strategies. Researchers need to integrate relevant ethical considerations into the design of their studies to ensure that they receive IRB approval for the project.

Ethical Research

One role of Walden University's Institutional Review Board (IRB) is to ensure compliance with ethical standards for doctoral research before, during, and after completing the research (Walden University, 2011b). Ethical research considerations are critical to the success of the project because of the associated legal and professional implications (American Psychological Association, 2010; Bell & Bryman, 2007; Creswell, 2009; Walden University, 2011b). The process of reflecting ethics in the doctoral study is the focus for discussion in this subsection.

The discussion illuminates the consenting process, withdrawal of participants from the project, and offering of incentives. The discussions also include the safe custody of research data, identification of study participants, and the use of organizations for data collections. Participants in the project willfully consented and volunteered to participate.

Participants could choose to withdraw from the project at any time. The offer of incentives other than a $5 *thank you* gift card was not a basis for engaging participants in the project. I will keep research data in a safe place for at least 5 years. The identity of participants will remain confidential. A non-disclosure agreement was not necessary because no organization assisted with data collection for the project, except for granting access to research sites.

I invited eligible candidates to participate in the project by face-to-face conversation, phone, or via e-mail. Appendix E contains the invitation letter that some prospective participants received via e-mail. Potential participants also received copies of the Walden University informed consent form (see Appendix D) by hand-delivery or via e-mail, plus a verbal explanation about the project. The consent form contains background information about the purpose of the study, expectations from a participant, and voluntary nature of the study.

Other information in the consent form includes the risks and benefits of participation, compensation, confidentiality, contact information for questions about the project, and statement of content. I requested that the potential participants return the signed consent forms either by hand-delivery or via e-mail before they could participate in the project, as required by the IRB (Walden University, 2011b). The consenting process occurred before data collection.

Participants could withdraw from the project at any time without objections from the researcher. Incentives were not a basis for luring potential participants to the project. However, part of the expression of thanks for participating in the project was in the form of a $5 thank you gift card. Participants interested in the research results will receive copies of the completed research study upon request.

The use of a password-protected computer to store the soft copy of the research data will prevent unauthorized access to the information. I safely kept the hard copy of the research materials in a locked box. Upon expiration of the time limit, I will use shredding equipment to destroy the hard copies, and delete the soft copies from the computer. I used coded identities to report the responses from interviewees.

Participants' identity is confidential and not disclosed. Only I know the identity of the participants. No organization assisted with data collection for the project. I, however, sought access permission to research sites from the leaders of the selected organizations. The authorities signed a letter of cooperation from a community research partner (see Appendices B and C), evidencing the approval of collection of data from the research sites.

In conclusion, participation in the study strictly depended on the voluntary consent of the participants. The participants signed the consent forms prior to taking part in the project, and before I commenced data collection. The participants could withdraw from the study at any time without objections from the researcher.

I did not offer incentives as a means of luring potential participants. I will maintain the confidentiality of participants and will not disclose their identities. I stored hard copies of the study materials in a locked box to prevent unauthorized access. The project participants provided research data via data collection instruments. Data collection tools guided the process of documenting the responses and contributions of the study interviewees.

Data Collection

Data collection instruments facilitate the gathering of empirical evidence with which to answer a study research question. A description of the data collection tools for this research dominates the discussions in this subsection. The discussions include tools for data collection, related concepts, reliability, and validity of the tools. The discussions also include the processes for completing the instrument, the location of raw data, and a description of the data that comprised each variable. Finally, the subsection indicates the strategies used to address threats to validity. A computer-based Audacity program and a customized interview template were the primary data collection tools for the project.

Instruments

Qualitative case study research is a naturalistic inquiry (Gelo et al., 2008; Johannesson, 2010; Lincoln & Guba, 1985; Yin, 2009). I spent an enormous amount of time in the natural settings collecting data instead of expecting data from participants from remote locations. The study did not involve the use of a survey or questionnaire for data collection. Instead, the data collection tools comprised an interview template and a computer-based Audacity program. The interview template, named Anyiwe Environmental Scanning Inquiry, contains a list of interview questions and the procedure for administering the questions (see Appendix A).

The Audacity program is downloaded software used in audio recording the interview sessions. The interview questions underlie the substantiation of the following concepts: (a) informed strategic planning process by Albright (2004), (b) five forces model by Porter (2008), (c) sustainable development concept by O. Pearce (2008), and (d) the concept of a learning organization by Stacy (2007). The interview questions further enabled the substantiation of the complex adaptive systems concept by Carlisle and McMillan (2006), the concept of social change and corporate social responsibility by Aguilera et al. (2007), and the market orientation concept by Anwar (2008).

The administration of the same set of questions to sub-groups from the two participating organizations ensured the reliability of the interview template as a tool for data collection. Likewise, the transcription of audio-recorded data from all participants involved the same procedure. The calculation and meaning of scores as prescribed in the rubric were not applicable to this study because it was not a quantitative research (Walden University, 2011a). The exclusion of the survey and questionnaire from the list of data collection instruments precluded the need for participants to fill out formal or standard data collection tools. The participants instead provided a verbal response to interview questions, which I recorded on the computer-based Audacity program. Some of the transcribed raw data are in Appendix F, while others are in my safe custody. I provided copies of the transcribed raw data to the participants to review for accuracy. A detailed description of data that comprise each variable as stipulated in the rubric was not applicable to this study because it was a qualitative inquiry (Walden University, 2011a).

The discussion of any adjustments or revisions to the use of standardized research instruments as indicated in the rubric is not applicable to this study because I did not use standardized instruments (Walden University, 2011a). The following interview questions were the basis for collecting data with which to address the research question. The first three questions precipitated the gathering of data on environmental scanning:

1. Explain in detail the process of gathering and using business intelligence data;
2. Explain in detail the processes of determining viable offerings, markets, revenue potentials, product development funding, and customer-product satisfaction; and
3. Describe the process of identifying and creating new business solutions.

The focus for the second set of interview questions was on gathering data on financial strategy used by the retail companies:

4. Describe in detail the process of determining the funding requirements for your business operations;
5. How does profitability contribute to the funding of your business operations; and
6. Describe the process of determining the finance option for funding different business operations.

I used the last three interview questions to elicit information on the customer categorization practices of the retail businesses:

7. Describe the process of evaluating customer satisfaction for your business;
8. Explain how you adapt your business to the prevailing market needs and conditions; and
9. Describe the basis for your organization's competitive edge in the marketplace.

I assessed the reliability and validity of the qualitative instrument by conducting a pilot study, which involved four participants. The pilot study results indicated that the proposed qualitative instrument would lead to the collection of appropriate empirical evidence, with which to answer the research question. The results also validated the planned process for administering the interview questions. I manually transcribed the audio-recorded data in Audacity to ensure validity. Reliability strategies that contributed to elevate the quality of data collection include an effort to ensure that the transcribed data reflect the correct version of interviewees' responses. I took handwritten notes of responses from each participant for each interview question. I compared the notes with the transcribed data to ensure that the transcribed data are primarily the same as the handwritten notes.

The threats to validity include making the wrong interpretation of results. I analyzed both the handwritten data and the transcribed data to ensure that same results were drawn from the data. In the same vein, I imported the transcribed qualitative data into a computer-based data analysis tool, NVivo, to ensure accuracy. Appendix A is a copy of Anyiwe Environmental Scanning Inquiry.

In conclusion, an interview template and the Audacity program characterized the data collection tools for the study. I collected data from the natural settings of the research sites. The interview questions assisted in substantiating the conceptual frameworks for the study.

The interview questions also enabled the exploring of potential themes for the inquiry, encompassing environmental scanning, financial strategy, and customer categorization. A computer-based data analysis ensured data validity. The data collection tools for a study need to align with the techniques for gathering data. Data collection techniques, therefore, underlie the implementation of the data collection tools.

Data Collection Technique

Data collection technique is the method for gathering data that will constitute the empirical evidence for a research (Brown, 2010). The techniques for collecting data for this study are the discussion emphasis in this subsection. The discussions include a detailed description of the data collection methods employed in the study. The data collection techniques include interview recordings, handwritten interview notes, and participant observation.

Most qualitative case study research involve the use of multiple data collection techniques, such as interviews, observations, document review, reports, and audiovisual materials (Brown, 2010; Creswell, 2009; Järvensivu & Törnroos, 2010; Rosenberg & Yates, 2007; Yin, 2009). Recorded interviews were the primary data collection method for the inquiry. The interview process comprised a 20-minute administration of verbal questions from Anyiwe Environmental Scanning Inquiry (see Appendix A), and responses from each of the 30 respondents. I personally conducted a face-to-face interview with each interviewee.

I also used a computer-based program to audio-record the interview sessions. The name of the software is Audacity. The version is 1.3 Beta (Unicode). The hardware that hosted the program is a Toshiba laptop computer, model: Satellite L505. I noted observations of nonverbal cues, long pauses, notable gestures, and visual aids introduced by participants during interviews. Participant observation was implicit in the data collection, as I verified participants' responses with knowledge about the research settings. I have an employment relationship with the participating organizations.

I also took handwritten notes of the comments from the participants in a spiral notebook. Labeling the notebook correlates with the saving of the recorded data in Audacity to ensure easy identification of each participant's interview data. For example, I labeled and saved the data from the participants in the first company as PA1, PA2, PA3, and so on. The data from the second company were labeled and saved as PB1, PB2, PB3, and so on. Handwritten participant responses and observations, therefore, were the second data collection technique for the study.

Data collection techniques consisting of interview recordings, handwritten interview notes, and participant observation. These techniques facilitated the gathering of adequate empirical evidence for this inquiry. The techniques were consistent with the goal of achieving a detailed, in-depth investigation in the project. Multiple data collection techniques facilitated triangulation of data sources, which involved comparing the transcribed data with written notes to ensure reliability of the transcribed data (Stavish, 2007).

The doctoral study involved a pilot study that enabled me to assess the reliability and validity of the questions in Anyiwe Environmental Scanning Inquiry. The pilot study comprised a sample of four participants: two from each research organization. The pilot sample size was more than 10% of the total participants in the main study. Holland (2011) piloted an interview-based qualitative study on one of the 10 participants in the main study, which is 10% sample size.

The questions in the Anyiwe Environmental Scanning Inquiry (see Appendix A) proceeded from a review of the literature pertaining to the topics explored in the research. The proposed procedure for data analysis informed the analysis of data from the pilot study to ensure that data collected in the main study may lead to answering the research question. The pilot study participants responded to additional questions from me regarding the qualitative instrument and study execution.

Additional question topics included the following: (a) understandability of the instrument questions, (b) what I could do differently to improve the interview setting and process, and (c) relevant questions omitted from the instrument. I recorded and evaluated the results of the additional questions. The results of the pilot study indicated that the proposed qualitative instrument would generate appropriate empirical evidence with which to answer the research question. The pilot inquiry yielded credible data that will support the effort of answering the research question. Feedback from participants validated the effectiveness of the interview process as planned. The feedback also indicated that the interview questions were fitting for the intended purpose. The only improvement learned from the pilot study was to clarify the research study purpose to the participants before conducting the interview. The data collected from the pilot study are part of the total study analysis.

In conclusion, multiple data collection techniques consisting of interview recording, handwritten interview notes, and participant observation facilitated the gathering of sufficient empirical evidence for answering the research question of the study. A separate face-to-face interview with each participant was the principal data collection method. I conducted a pilot study to assess the reliability and validity of the Anyiwe Environmental Scanning Inquiry.

I gathered information from the natural settings of the participating research organizations. Efficient data organization promotes the quality of a research project. Many techniques facilitate successful data organization aspirations.

Data Organization Techniques

I took handwritten notes of salient information from the interviews in a spiral notebook. The computer-based Audacity program facilitated error-free audio recording of the interview sessions. I used a unique file name to save audio-recorded interview data in the Audacity program. The file name contained a coded identity of the participants who provided the data.

The nomenclature for coding the file name segregated and identified the data from each of the two locations. For example, the data emanating from the first retail organization were saved as PA1, PA2, PA3, and so on; the data emanating from the second retail business were saved as PB1, PB2, PB3, and so on. The same nomenclature informed the labeling of handwritten notes and other collected empirical evidence from the participants in the two organizations.

Hard copies of documents relating to the study are in folders maintained for each research site. Hard copies from the first retail company were labeled as AD1, AD2, AD3, and so on; for the second retail organization, the hard copies were labeled as BD1, BD2, BD3, and so on. I cross-referenced the documents to the associated topic in the study as well as to the provider. All raw data will remain in a locked container for a minimum of 5 years. A highly organized set of data enhances data analysis by accelerating the process. Data organization, therefore, creates tangible timesaving during data analysis.

Data Analysis

Data analysis facilitates comprehension or abstraction of meaning from a database. The discussions in this subsection indicate the interview questions used in obtaining answers to the research question. The discussions illuminate the process of using data analysis to address the research question logically and sequentially. The descriptions of software tools and data coding process that underlie data analysis of this study are part of the discussions in this subsection. The discussions highlight how data presentation, interpretation, and explanation are consistent with the research question as well as how data relate to the conceptual frameworks of the study.

The research question for this study is: how does environmental scanning support an effective financial strategy compatible with customer categorization? The following interview questions facilitated the gathering of empirical evidence with which to answer this research question effectively. I used the first three questions to gather data regarding the environmental scanning practices of each retail company:

1. Explain in detail the process of gathering and using business intelligence data;
2. Explain in detail the processes of determining viable offerings, markets, revenue potentials, product development funding, and customer-product satisfaction; and
3. Describe the process of identifying and creating new business solutions.

The second set of interview questions enabled the gathering of data on financial strategies used by the participating retail organizations:

4. Describe in detail the process of determining the funding requirements for your business operations;
5. How does profitability contribute to the funding of your business operations; and
6. Describe the process of determining the finance option for funding different business operations.

I used the final three interview questions to inquire into the customer categorization of each participating retail site:

7. Describe the process of evaluating customer satisfaction for your business;
8. Explain how you adapt your business to the prevailing market needs and conditions; and
9. Describe the basis for your organization's competitive edge in the marketplace.

Data analysis commenced with the verbatim-transcription of interview data and researcher's handwritten interview notes collected from each participant. Data collected and the corresponding data analysis were coded by retail site and by participant. Retail sites A and B data were coded as such and each participant was numerically coded in order of interview conducted. Thus, the coded data collected and analyzed for site A were labeled with PA1, PA2, PA3, and so on, and site B were labeled with PB1, PB2, PB3, and so on.

In qualitative research data analysis, the coding of data enables the abstraction of meanings and themes (Elo & Kyngäs, 2008; Gelo et al., 2008). The coded data facilitated the classification and categorization of unique meaningful data segments, which enabled patterns and themes to emerge from the data. I compared the emerging patterns with the propositions or potential themes previously developed for the study (Creswell, 2007; Elo & Kyngäs, 2008; Gelo et al., 2008; Yin, 2009), which were derived from the conceptual frameworks for the study.

The comparison led to the determination of substantive themes from the data. I analyzed the themes to develop findings for the study, reflecting participants' responses. Interpretation of the findings led to conclusions and a detailed discussion on using the study results to answer the research question (Creswell, 2007; Elo & Kyngäs, 2008; Gelo et al., 2008; Yin, 2009). The presentation of the themes and pattern comparison are in narratives (see Appendix G).

The study comprised cross-case synthesis data analysis that enabled both the comparison of data between and within subgroups, and the characteristics and patterns of the two organizations involved in the case study (Yin, 2009). The cross-case synthesis facilitated the incorporation of rigor into the data analysis by using logic and systematic analysis to strengthen ensuing arguments (Bradbury-Jones, 2007; Ryan-Nichols & Wil, 2009). The data analysis also involved triangulation of different sources of empirical evidence to enhance the accuracy and quality of the qualitative study (Stavish, 2007).

A software tool, NVivo, played a major role in the data analysis; however, I retained the responsibility of ensuring accurate data analysis. I imported the transcribed data into NVivo and developed codes upon exploring the participants' responses. NVivo facilitated the creation of codes for related data segments.

I categorized the emerging related meaningful data segments, as a foundation for theme identification and analysis. The employment of NVivo in the data analysis expedited the process by reducing the time used for analysis. The use of NVivo also eliminated potential errors caused by human fatigue. The volume of data and the associated level of data analysis required the sophistication and speed of a computer program.

The goal for the data analysis was to relate the empirical evidence of the study to the research question. The alignment of the interview questions with the research question enabled the gathering of appropriate data that relate to the research question. I focused theme analysis on addressing the research question to ensure that the entire data analysis process is consistent with the research question.

The conceptual frameworks for the study informed the research question. The concepts are as follows:

1. Informed strategic planning process by Albright (2004),
2. Five forces model by Porter (2008),
3. Sustainable development by O. Pearce (2008),
4. A learning organization by Stacy (2007),

5. Complex adaptive systems by Carlisle and McMillan (2006),
6. Social change and corporate social responsibility by Aguilera et al. (2007), and
7. Market orientation by Anwar (2008).

The research question enabled the data analysis to serve as a means of substantiating the foundational concepts for the study. In this context, I developed propositions or potential themes related to the concepts as a basis for substantiating the concepts for the study. The data analysis and results indicate the veracity of the concepts. The research question and interview questions facilitated the collection of data with which to add new unique knowledge to the extant body of knowledge for each of the conceptual frameworks.

In conclusion, the essence of administering interview questions was to generate answers from participants' perspectives relevant to the research question. Coding data involved NVivo software, which expedited the process and reduced the level of human errors. I categorized the ensuing meaningful data segments, and compared them with propositions or potential themes. The analysis of the identified, emerging themes led to findings and interpretation of results.

The discussion of the results is in terms of their contribution to addressing the research question. The results extend the current body of knowledge on each of the business concepts explored in this study. The quality of data analysis reflects on the reliability and validity of the study as well as the associated processes. The reliability and validity of a study affect the credibility and generalizability of the results.

Reliability and Validity

The discussions in this subsection are on the reliability of the study and the associated processes. The discussions also include the internal and external validity of the study. The subsection identifies the strategies used to guard against potential internal and external threats to the validity of the data, data interpretations, data analysis, and the resulting conclusions of the study.

Reliability

I conducted a pilot study to assess the reliability and validity of the qualitative instrument. Four participants, constituting more than 10% sample size of the participant population for the study, composed the pilot study. Two individuals from each research site participated in the pilot study. Holland (2011) used a 10% sample size to pilot an interview-based qualitative study. I administered the interview questions to the pilot participants and carefully analyzed the collected data. The results of the pilot study indicated that the proposed qualitative instrument would generate appropriate empirical evidence, with which to answer the research question. The pilot inquiry yielded good data that will support the effort of answering the research question. Feedback from participants validated the effectiveness of the interview process as planned. The feedback also indicated that the interview questions were appropriate. The only improvement learned from the pilot study is to clarify the research study purpose to the participants before conducting the interview.

The following measures ensured that the processes of data collection, analysis, and interpretation were reliable. I analyzed my background and perspectives prior to commencing data collection as a basis for detecting potential biases (Creswell, 2007). I ensured that no personal passions, opinions, and prejudices would taint the data collection and analysis process.

According to the publications of Walden University (2011c), researchers need to document their background, experience, and circumstances that may bias their data collection procedures, analysis, interpretation, and conclusions for the study. Second, I reviewed potential personal interest in the results of the study to determine how they may affect the accuracy of data analysis (American Psychological Association, 2010). Third, I ensured that the conduct of the study is free from the influence or duress of the host organizations (American Psychological Association, 2010).

The reliability of the processes leads to the reliability of the entire study. According to Yin (2009), reliability implies that replication of the research procedures will yield similar findings. Reliability of a study relates to the quality or accuracy of the study. Several factors including researcher biases may affect the accuracy of an empirical research.

My employment relationship with the research site-organizations may cast doubt on the quality or reliability of the study. The following formulated strategies preserved the trustworthiness of the inquiry. First, the study includes a disclosure of the potential bias resulting from possessing a relationship with the research-site organizations (American Psychological Association, 2010).

Creswell (2007) posited that the indication of potential researcher bias at the outset is critical for formulating plans to overcome its impact on the study. Stavish (2007) disclosed the employment with the host organization used in the qualitative study on scanning the environment. Second, the research involved a triangulation of the empirical evidence by analyzing various data sources such as recorded interview, handwritten interview, and participant observations to substantiate findings and results (Creswell, 2007; Merriam, 1998; Miles & Huberman, 1994; Walden University, 2011d). Stavish employed data triangulation in a related qualitative study.

Third, member checks enhanced the quality of the study by involving participants in the review of the transcribed data and tentative interpretations. Walden University (2011c) indicated that member check of the analysis and interpretations drawn from provided data enables the incorporation of participants' view in assessing the credibility of the study. Member check is a vital criterion for ensuring quality in a case study research (Creswell, 2007; Lincoln & Guba, 1985; Merriam, 1998; Stake, 1995).

Stavish (2007) used member check to ensure trustworthiness in his research. Fourth, I gradually collected data to ensure the gathering of accurate information (Merriam, 1998). Extended observation in a study enables a researcher to double-check information that seems inaccurate or biased from the perspective of the participants or researcher (Creswell, 2007).

Fifth, peers engaged in similar doctoral-level programs assisted in reviewing the process used to derive the themes and findings for the study. The publications of Walden University (2011c) indicated that including peer review in the data analysis process for a qualitative study facilitates accuracy of the project. Peer review enables an experienced, uninvolved party to examine the process and basis for reaching conclusions in a study (Creswell, 2007; Lincoln & Guba, 1985; Merriam, 1998).

Validity

Internal validity is the potential threat that could lead to drawing the wrong conclusions from the data (Yin, 2009). The measures described in the preceding paragraphs for ensuring reliability of processes and study underlies the internal validity of this qualitative research. External validity, on the other hand, denotes the generalizability of research findings to other settings (Yin, 2009). The contexts and circumstances of the research-site organization used in a single-case study may affect the generalizability of the results (Brown, 2010; Creswell, 2007; Stake, 1995; Stavish, 2007; Yin, 2009).

In contrast, this study involves a multiple-case study design. L. Brown (2010) observed that a multiple-case study enables wider issues, events, and situations to be considered than would otherwise be available in a single-case study. Moreover, generalizing the results from a multiple case study is more reliable than generalizing single case study results because of the comparison of contexts and circumstances of the sites involved in the study (Denzin & Lincoln, 2005; Järvensivu & Törnroos, 2010; Yin, 2009).

The multiple-case study enables the use of cross-case synthesis to compare the data analysis for the two sites as a basis for determining possible generalizability of results (Yin, 2009). The discovery of more findings in a multiple-case study than in a single-case study may contribute to generalizing the results of the multiple-case study (Brown, 2010; Yin, 2009). The results of this research may still lack generalizability to all the related settings because of fundamental differences. The study indicates the extent of the generalizability of the results to guide the understanding of the audience.

In conclusion, the analysis of my background and interest in the results of the study as well as keeping the project free from external influence or duress ensure trustworthiness of this study. I disclosed an existing employment relationship with the research-sites. The analysis of data involved triangulation of various sources of data. Participants reviewed transcribed data, interim themes, and analysis.

Data collection was gradual. Fellow doctoral researchers assisted in reviewing the processes used in reaching conclusions for the study. The processes for ensuring reliability of the study lead to accurate conclusions for the study or internal validity. The employment of a multiple-case study enabled external validity of the results to some extent. The study indicates the degree of generalizability of the results.

Transition and Summary

Section 2 of this doctoral study illuminates the process of conducting the research project. The process described in Section 2 indicates the approach and activities that led to solving the problem defined in Section 1. Section 2 contains an elaborate description of the research method, design, and data collection instrument that facilitated the answering of the research question. A qualitative method, involving a multiple-case study design was the basis for this study.

The primary data collection instruments for the inquiry consisted of computer software and a customized interview template and protocol. Interview recordings, handwritten interview notes, and participant observation characterized the data collection techniques. The use of coded identities and unique file names ensured adequate organization of the research data from the two sites. The analysis of the data comprised transcription of interview, coding, abstraction of themes, comparison of emerging patterns with propositions, and theme analysis.

NVivo software assisted in the data analysis. A pilot study enabled me to verify the efficacy of the qualitative instrument prior to the research. I avoided potential threats that could lead to drawing the wrong conclusion, by disclosing my relationship with the research organizations, involving participants in the review of the emerging themes, and engaging third parties, such as peers, in the review of the process that led to the conclusions. The multiple contexts that emanated from the chosen research design elevate the generalizability of the study results.

In conclusion, while the objective of Section 1 was to identify the contexts and problem that precipitated the inquiry, the objective of Section 2 was to highlight the process and approach for addressing the issues. Inadequate environmental scanning strategies, leading to misalignment between financial strategy and customer categorization were the focus of the study. Retail businesses miss revenue opportunities and sustain operating losses, amounting to millions of dollars because of deficient awareness of trends and factors in the business environment. The selected research method and design align with the sampling method employed in the study as well as foreshadow the data collection techniques, which generated the empirical evidence that assisted in answering the research question.

The study involved data triangulation, which will ensure that similar results would emanate from a replication of the research. The multiple-case study design enhanced the generalizability of the study results because of the several contexts that underlie the findings. Section 3 contains the results of the study and a detailed explanation of the empirical evidence that relates to the research question and supports the study conclusion.

Section 3: Application to Professional Practice and Implications for Change

The purpose of this study was to explore the integration of environmental scanning into the process of aligning an organization's financial strategy with customer categorization. The research question is: how does environmental scanning support an effective financial strategy compatible with customer categorization? The investigation of the problem discussed in Section 1, using the project plan described in Section 2, led to the findings presented in Section 3. Two retail businesses in the transportation and logistics industry were the research settings for this study.

Thought-provoking findings emerged from this study. The results indicate that a planning process that has foundations in environmental scanning is a platform for formulating a financial strategy that aligns with customer categorization. The recognition of the primacy of customers in business transactions enables organizations to focus their environmental scanning activity on generating information, with which to align financial strategy with customer categorization. The desire to attain business viability underlies the use of environmental scanning information to align financial strategy with customer categorization.

The findings of this research further indicates that the criteria for making funding decisions require the focusing of environmental scanning on aligning financial strategy with customer categorization. Predicating business strategy and profitability on environmental scanning creates a need to harmonize financial strategy with customer categorization. The values of operational effectiveness and process enhancements, resulting from the tenets of a learning organization, underlie the development of environmental intelligence that ensures compatibility between financial strategy and customer categorization. The complexities of the business environment require the sophistication of an environmental scanning that informs the alignment of financial strategy with customer categorization.

Aligning financial strategy with customer categorization based on environmental trends and factors serves as a platform for engaging in sustainable social change and corporate social responsibility initiatives. An environmental scanning activity that centers on gleaning critical market information promotes the alignment of financial strategy with customer categorization. I provided a detailed discussion of these findings in subsequent subsections as well as the basis for answering the primary research question for the study.

Presentation of the Findings

The discussions in this subsection indicate the conclusions from the findings of this study, which were the basis for answering the research question. The discussions also indicate the interview questions and resulting findings as well as the relationship of the findings to the literature on environmental scanning, financial strategy, and customer categorization. Finally, this subsection contains information on how the findings substantiate the conceptual frameworks for the study, and relate to the existing body of knowledge on effective business practice.

Environmental scanning supports the formulation of a financial strategy compatible with customer categorization by enhancing the capability of planning, underlying customer-focused operation, predicating business viability, and informing funding decisions. Environmental scanning also underlies business strategy and profitability, ensures relevance in a changing environment, and predicates sustainable social change and corporate social responsibility initiatives. Finally, predicating market orientation on environmental scanning ensures compatibility between financial strategy and customer categorization. The research question shaped the focus for data collection and guided the emergence of appropriate empirical evidence for the study.

Research Question and Conclusions

The research question for this study is: how does environmental scanning support an effective financial strategy compatible with customer categorization? The following conclusions from the results of the study were the basis for answering the research question:

1. Environmental scanning generates critical planning intelligence that should simultaneously inform the formulation of financial strategy and the basis for customer categorization;
2. Focusing environmental scanning on enhancing customer value may lead to the formulation of a financial strategy that aligns with the basis for customer categorization.

3. Predicating environmental scanning on the attainment of business viability enables organizations to ascertain critical trends and factors that assure unflinching consistency between financial strategy and customer categorization;
4. Environmental scanning illuminates the factors that underlie funding decision, thereby creating a basis for aligning financial strategy with customer categorization.
5. The use of environmental scanning as a basis for business strategy and profitability shapes the alignment of financial strategy with customer categorization.
6. An environmental scanning-based practice of a learning organization inspires the values of operational effectiveness and process enhancements, which leads to the development of environmental intelligence that ensures compatibility between financial strategy and customer categorization;
7. The need to ensure the relevance of crucial business operating tools in a changing environment underlies the use of environmental scanning to generate information that enhances alignment between financial strategy and customer categorization;
8. Sustainable social change and corporate social responsibility initiatives require the gathering of environmental information that predicates compatibility between financial strategy and customer categorization; and

9. An environmental scanning that indicates prevailing market conditions, trends, and factors intrinsically establish a platform for harmonizing financial strategy with customer categorization.

Appendix G contains the emerging themes in the contexts of the research sites. The answers to the research question emanated from the findings and collected evidence. I used literature review-based interview questions to elicit relevant responses from the study participants. The research question also guided the collection of other related empirical evidence for the study.

Findings and Collected Evidence

The subheadings in this part of the doctoral study incorporate the interview questions used in gathering appropriate data for the study. Following each interview question is a detailed discussion of the evidence and findings that emerged. Succinct and adequate empirical evidence underlies the results and conclusions of this inquiry.

Gathering and using business intelligence data. The first interview question was: explain in detail the process of gathering and using business intelligence data. The interviewees from the two participating retail businesses responded that they routinely scan their environment by gathering critical information on trends, factors, and conditions that may affect their business operations. The practitioners use business intelligence information to plan their operations and focus service delivery to customers. Environmental scanning is the foundation for the business plan. Planning in turn, predicates the approach to financial strategy formulation and determination of distinct customer needs. The insights from the participants suggest that there is a relationship among environmental scanning, financial strategy, and customer categorization, which I did not examine because it was outside the scope of this qualitative inquiry.

Determining viable offerings and markets. The second question was: explain in detail the processes of determining viable offerings, markets, revenue potentials, product development funding, and customer product satisfaction. The respondents indicated that business intelligence information emanating from environmental scanning enabled them to assess potential, viable markets, offerings, and adequacy of revenue. Business leaders also use environmental scanning insights to make decisions on service development funding as well as conforms service delivery to customer expectations. Environmental scanning generates insights into the financial strategy and customer categorization practice that effectively would target the fulfillment of customer needs. The compatibility between business practice and customer requirements negates inherent hostility and keeps the customer happy. The ensuing satisfaction sometimes develops into a partnering relationship with customers.

Creating new business solutions. The third question was: describe the process of identifying and creating new business solutions. The participants stated that they use environmental scanning information to identify potential enhancements to the quality of service and process efficiency provided to customers. The respondents indicated that the insights from environmental trends, factors, and conditions enabled them to explore offerings and solutions that meet the needs of the environment, economy, and society.

For example, environmental intelligence guided the organizations in providing and maintaining lightweight equipment and compressed natural gas trailers for customers. The companies created economies of scale for customers with the new solutions by enabling them to meet their economic and societal needs while preserving the environment.

Lightweight equipment and compressed natural gas trailers are eco-friendly initiatives that enable operators to reduce environmental deterioration. Scanning the environment, therefore, drives innovativeness. Enhancement of service quality has external orientation as it increases customer value. Process efficiency, on the other hand, has internal focus as it improves internal operating process. Enhancement of service quality can lead to differentiating the offering in the market, while improvement of internal process can be a basis for developing low-cost leadership in the industry.

An environmental scanning that enables an enterprise to attain superior service quality and low-cost leadership may be a focus for business strategy. Service quality and low-cost operations are ingredients of both financial strategy and customer categorization. Environmental scanning strategies that enable an organization to focus its business strategy on improving service quality and low-cost operations, therefore, are a basis for aligning financial strategy with customer categorization. In addition, innovativeness is a characteristic of the practice of a learning organization.

Determining funding requirements. The fourth question was: describe in detail the process of determining the funding requirements for your business operations. The interviewees stated that insights from environmental scanning indicate which aspects of service infrastructure would generate sustainable growth. Environmental scanning informed the formulation of the appropriate business approach and financial strategies to ensure viability and availability of operating funds. The trends, factors, and conditions in the business environments are also insightful in identifying funding constraints, obstacles to profitability, and competent resources. The desire to attain business viability is implicit in sustainable funding decisions, therefore, underlies the use of environmental scanning information to align financial strategy with customer categorization. I, however, did not investigate past business failures for which misalignment of financial strategy and customer categorization were responsible because it was beyond the scope of this study.

Some participants, however, stated that they sometimes incorporate historical information, such as balance sheet, income statements, cash-flow reports, and other statistical reports into their funding decisions. The inclusion of internal, historical information in funding decisions indicates that externally oriented environmental scanning functions in tandem with internally generated intelligence in shaping funding decisions. The use of environmental intelligence to benchmark historical performance against the competition implies that internal historical records alone are inept in predicating funding decisions.

Profitability and business operations. The fifth question was: how does profitability contribute to the funding of your business operations? The participants responded that the information from environmental scanning enabled them to pursue business initiatives with promising tangible profitability. The information gathered from scanning the environment indicated potential new markets, innovations, business opportunities, environmental issues, and competition. Insights into the foreseeable environmental factors and conditions enabled the organizations to rely on profitability as a primary source of funding, thereby, enhancing their viability and competitiveness. Some participants, however, stated that their company experienced a period of no growth and negative profitability, which resulted from the effect of environmental factors on critical aspects of business practice such as financial strategy and customer categorization.

The ensuing misalignment resulted in a significant reduction of the workforce and other strategic adjustments. Fortunately, the organization emerged stronger than before experiencing financial crises, in terms of profitability and competitiveness, thereby retaining its prominent position in the industry as the leading provider of transportation and logistics services. For a retail business, adequate customer patronage is a prerequisite for profitability. Adequate customer patronage implies effective customer focus or categorization. Profitability is the outcome of an effective financial strategy. The goal for profitability and viability that informs environmental scanning, therefore, is a basis for aligning financial strategy with customer focus or categorization.

Determining finance options. The sixth question was: describe the process of determining the finance option for funding different business operations. The participants hinted that although internally generated profit is their preferred finance option, the incorporation of borrowed funds is sometimes inevitable. Business managers predicate their finance option decisions on many factors, such as a sustainable ratio between equity and debt financing, implications of the cost of debt, perception of customer base about a heavily indebted company, and the competitiveness of the organization. Some of the retail practitioners incorporate customer perceptions and profitability concerns into their funding decisions. Funding business operations involves the need to maintain a satisfied customer base and generate adequate profitability. Environmental scanning is insightful in understanding the perceptions of potential customer base as well as in forecasting potential profitability. Accordingly, the underlying elements of funding decision are the basis for using environmental scanning to ensure consistency between profitability-related financial strategy and customer categorization. Nonretail businesses and not-for-profit organizations equally may need to incorporate customer perceptions and efficiency implications into their funding decisions; however, I did not explore such issues as they are outside the bounds of this inquiry.

Evaluating customer satisfaction. The seventh question was: describe the process of evaluating customer satisfaction for your business. The interviewees stated that environmental scanning information enables them to identify the level of satisfaction of customers with their service delivery. Customer satisfaction also manifests in the level of patronage of the organizations as well as in the adequacy of profit generated from operations. Another source of determining customer satisfaction is the longevity of the relationship with customers. Consistent on-time payments and prepayments from customers are also indicative of customer satisfaction. The environmental intelligence for customer satisfaction enables an organization to formulate or revise a financial strategy that effectively will target viable fulfillment of customer expectations. The intelligence also underlies the development of an effective basis for customer categorization. Environmental scanning activity; thus, informs a financial strategy compatible with customer categorization.

Adapting business to market needs and conditions. The eighth question was: explain how you adapt your business to the prevailing market needs and conditions. The respondents to the interviews indicated that the turbulent and erratic nature of the business environment makes environmental changes a constant factor. Business managers need to ensure that critical operational tools remain relevant and adaptive to the environment. The process of scanning the environment leads to the assessment of the needs of each market in each region. Business leaders use environmental intelligence to make critical market-relevant decisions affecting pricing, labor rates, service offerings, and potential target customers. The efficient adaptation of the business to the prevailing market needs depends on a consistency between vital operating tools, such as financial strategy and customer categorization. Environmental scanning fosters market orientation, which predicates the alignment of financial strategy with customer categorization.

Competitive edge in the marketplace. The ninth question was: describe the basis for your organization's competitive edge in the marketplace. The participants indicated that superior service quality that elicits adequate customer satisfaction as well as the flexibility of profitable operations represented the icons of their competitiveness. In addition, the entities predicate their social change and corporate social responsibility (CSR) initiatives on insights from environmental scanning activities. Environmental scanning underlies the provision of superior service and achievement of profitable operations by enabling awareness of environmental trends and factors. Environmental scanning, therefore, is a basis for developing sustainable competitive edge in the marketplace. Sustainable social change and corporate social responsibility initiatives require the gathering of environmental information that predicates alignment between financial strategy and customer categorization.

Appendix F contains selected direct quotes from the participants' responses to the interview questions. The materials and other evidence ensuing from this study data collection became valuable when they transformed into meaningful themes and patterns that relate to the research question. The findings discussed in preceding paragraphs emerged from the analysis of themes, patterns, and relationships, which characterized the data analysis of this study.

Analysis of Themes, Patterns, and Relationships

The themes, patterns, and relationships abstracted from coded data as well as their comparison with propositions are presented in this subsection. The discussion begins with a list of the propositions that enriched the data analysis of this study. Insights from the conceptual frameworks for this study informed the propositions, which are

1. A planning process rooted in environmental scanning leads to the formulation of financial strategy that aligns with customer focus;
2. Predicating business operations on customer satisfaction will cause organizations to channel their environmental scanning activity to aligning financial strategy with customer categorization;
3. The desire for business success is a strong incentive to gather environmental information with which to harmonize financial strategy with customer categorization;
4. The practice of a learning organization generates critical knowledge that enables an organization to review the alignment of its financial strategy with customer-centered operation routinely;
5. The rapidly changing business environment makes environmental scanning-based alignment of financial strategy with customer categorization inevitable;
6. The need for viable social change and corporate social responsibility initiatives cause business leaders to scan their environment and tailor offerings to their profitability goals; and
7. The quest to ascertain and efficiently satisfy market needs lead to identifying environmental trends and factors that will inform a synchronized financial strategy with customer categorization.

The data analysis also consisted of the investigation of the following rival proposition to ensure that I explored all foreseeable sides to the contextual issues under study: Environmental scanning is irrelevant to aligning financial strategy with customer categorization. Yin (2009) stated that the incorporation of rival theoretical or real-live proposition into case study data analysis enhances the quality of the ensuing results. The investigation of the rival proposition in this study enabled me to eliminate potential personal bias that may compromise the data analysis.

Planning efficacy. Environmental scanning, financial strategy, and customer categorization elevate the efficacy of planning. A planning process that has foundations in environmental scanning is a platform for formulating a financial strategy that aligns with customer categorization. The planning intelligence that proceeds from environmental scanning will inform both financial strategy and customer categorization processes compatibly. The finding is consistent with the first proposition for this study: a planning process rooted in environmental scanning leads to the formulation of a financial strategy that aligns with customer focus. One prerequisite for this finding, however, is that the planning information must simultaneously underlie the formulation or updating of financial strategy and the basis for customer categorization. If organizations use their business plan to revise their financial strategy and customer categorization practice separately, and at different times, a misalignment between the two tools would result.

In the light of this finding, the observation of Mallette (2006) may be viewed from a different perspective. Mallette opined that many organizations lack a credible structure for methodically evaluating their financial strategy to ensure compatibility with ongoing business activities. A credible structure in terms of environmental scanning, planning, and management decisions exists. Business managers use the structure to revise their financial strategy routinely.

Organizations, however, are lacking an adequate environmental scanning strategy that would result in the use of the same piece of information to revise financial strategy and critical aspects of business operations simultaneously, including customer categorization. A timing difference in the updating of the two tools would result in misalignment, despite the existence of a credible structure. Figure 4 depicts an environmental scanning-based planning that separately informs the formulation or revision of financial strategy and customer categorization. Figure 5 illustrates an environmental scanning-informed planning that simultaneously predicates the revision of financial strategy and customer categorization.

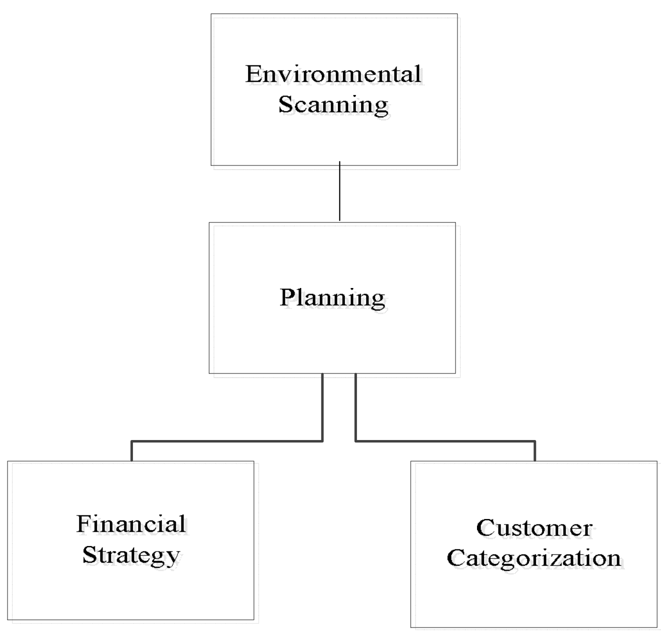

Figure 4. Planning approach that misaligns financial strategy with customer categorization.

The first finding of this study extends the empirical observations of Dixon (2008), Earle (2009), and Williams (2007), who stated that environmental scanning supports planning. The environmental scanning-based planning process is a means of aligning financial strategy with customer categorization. The first finding of this study, therefore, is a credible means of filling the gap in the current practice of business intelligence, which falls short in enabling the alignment of financial strategy with customer categorization. The planning solution indicated in this finding exemplifies the extension of environmental scanning beyond mere gathering of information on trends and factors.

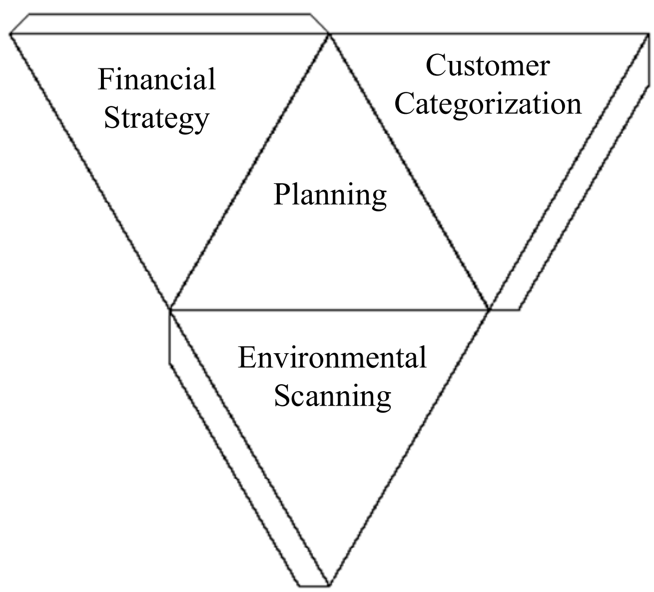

Figure 5. Planning approach that aligns financial strategy with customer categorization.

Moderating customers' buying power. An environmental scanning that supports the alignment of financial strategy with customer categorization helps in moderating the buying power of customers. The recognition of the primacy of customers in business transactions enables organizations to focus their environmental scanning activity on generating information, with which to align financial strategy with customer categorization. An efficient, environmental scanning, therefore, relegates the influence of the bargaining power of buyers in an industry, thereby undermining the ability of customers to determine the volume of business and level of profitability independently. The finding is consistent with the second proposition for this study: predicating business operations on customer satisfaction will cause organizations to channel their environmental scanning activity to aligning financial strategy with customer categorization.

Porter (2008) posited that organizations should formulate strategies for overcoming the challenges posed by the bargaining power of buyers. The empirical evidence from this study indicates that an effective environmental scanning strategy may enable business managers to tailor their offerings to consumer behavior, thereby negating the dominance of buyers. The willingness of customers not to withdraw or reduce their patronage of industries is tantamount to a decrease in their influence. Consistent on-time payments and prepayments from customers also indicate their commitment or subordination to the contractual relationship with service providers.

A financial strategy aligned with customer categorization that results from a potent scanning of the environment may lead to the provision of high quality customer-satisfying service, which will serve as a shield for the profitability of an enterprise. The second finding of this study also corroborates the assertion by Drucker (1973) that the primary function of a business is finding a customer. The customer satisfaction that stems from integrating environmental scanning into the alignment of financial strategy with customer categorization creates a supplier-buyer relationship that transcends transaction relationship (Ahmed et al., 2011; Davies, 2008). Meaningful collaborations emerge from the customer satisfaction experience.

The second finding of this study is insightful in addressing the current gaps in investment opportunities discussed in the literature review. Aligning financial strategy with customer categorization in the provision of excellent customer-satisfying offerings would enable business leaders to generate adequate internal funds from operations. The incorporation of environmental intelligence as a basis for the alignment may ensure competitive economies of scale by illuminating opportunities for cost savings and efficient operations. The focus for investment opportunity, therefore, may change from facilitating revenue generation to creating internal funding for the business. The new emphasis for investment opportunity will be grounds for curtailing the need for borrowed funds, thereby enhancing the potentials for financial stability and competitiveness.

Business viability. Efficient use of information from environmental scanning assures business viability. The desire to attain business viability underlies the use of environmental scanning information to align financial strategy with customer categorization. The information gathered from scanning the environment is insightful in identifying new markets, innovations, business opportunities, environmental issues, competition, funding constraints, profitability, and critical resources, which culminate in business viability. The accomplishment of these elements of business viability depends on unflinching consistency between financial strategy and customer categorization. Business managers, therefore, have to consider the premise for aligning their financial strategy with customer categorization at the time of gleaning environmental trends, factors, and events. The finding is congruent with the third proposition for this study: the desire for business success is a strong incentive to gather environmental information with which to harmonize financial strategy with customer categorization.

The integration of environmental scanning into the alignment of financial strategy with customer categorization enables business managers to be sensitive to the environment when providing services to their customers. The concern for viability inspires enterprises to fulfill the sustainable development needs of their customers by providing solutions compatible with economic, societal, and environmental needs. Environmental intelligence illuminates the approach to initiating sustainable solutions by connecting financial strategy to customer categorization.

Aligning financial strategy with customer categorization based on environmental scanning leads to harmonizing economic, societal, and environmental needs. Accordingly, the finding adds a new dimension to the tenets of sustainability discoursed by O. Pearce (2008). The executive foresight capacity and entrepreneurial skills of business managers expand as they predicate their quest for viability on environmental scanning (Clemens, 2009; Li, Tse, et al., 2006). Environmental scanning, therefore, is much more than just gathering information; it includes the use of the ensuing information

(Kohn, 2005). One example is innovativeness that stems from applying environmental scanning information (Elci, 2009; Gliddon, 2006; Hamel & Prahalad, 2005; Tuulenmäki & Välikangas, 2011).

The third finding of this study is a means of addressing the current gaps in the practice of innovativeness highlighted in the literature review. Viable innovativeness stemming from the alignment of financial strategy with customer categorization based on critical trends and factors in the environment may lead to optimal performance, by enabling adequate profitability. The customer loyalty and continuous patronage that may ensue from the new focus for innovativeness may underlie the solvency of the enterprise and the recouping of cost of innovativeness.

Funding business operations. Environmental scanning facilitates sustainable growth-based funding of business operations. The insights from scanning the environment indicate the most competitive form of funding business operations, which may accelerate the accomplishment of financial strategy targets and customer categorization focus. The implications of environmental scanning, therefore, predicate a simultaneous pursuit of financial strategy processes and customer categorization solutions. The criteria for making funding decisions cause environmental information to link financial strategy process to customer categorization activity, indicating that the two tools function in tandem with each other as well as complement one another. A financial strategy that aligns with customer categorization enhances the attainment of environmental scanning-based funding objectives, as it supports sustainable growth. The finding is consistent with the third proposition for this study: the desire for business success is a strong incentive to gather environmental information with which to harmonize financial strategy with customer categorization. Sustainable growth is a foundation for business viability.

The finding also indicates a basis for improving on the gaps in the current practice of funding business operations described in the literature review. Environmental scanning-based funding of business operations is a premise for aligning financial strategy with customer categorization. Predicating funding decisions on environmental intelligence will require continuous consistency between the two tools, leading to streamlined business operations. The alignment will inform an appropriate focus for funding, internal funds from profitability or external borrowings. Ensuring continuous consistency for the two operational tools may enable the amount of internally generated funds to trounce external debt.

Enabling profitability. Environmental scanning is an enabler of profitability. Environmental intelligence indicates potential trends, factors, and conditions that may affect an organization's profitability. The insights enable business leaders to avert foreseeable adverse business options while exploiting promising avenues. Environmental scanning also generates information on activities of competitors and other economic agents. Enterprises use this intelligence to engage in profitable operations, thereby avoiding the need for burdensome debts. Profitability, however, depends on efficient allocation of resources and provision of offerings, which are the focus for financial strategy and customer categorization. By illuminating the factors that contribute to profitability, environmental scanning creates a platform for aligning financial strategy with customer categorization. Environmental scanning, therefore, is a basis for business strategy and profitability. The finding is consistent with the third proposition for this study: the desire for business success is a strong incentive to gather environmental information with which to harmonize financial strategy with customer categorization. A business strategy that underlies adequate profitability enables an organization to accomplish business success. The fifth finding of this study indicates a direct solution to the problem of inadequate internal funds from profitability, discussed as a gap in the current practice of profitability in the literature review. Efficient allocation of resources and provision of offerings that emanate from the alignment of financial strategy with customer categorization results in excellent profitability. The incorporation of environmental insights into business strategy may cause the use of borrowed funds to decline because of a profitable operation. Both operating expenses and revenue will receive equal attention. The pressure to misrepresent financial performance will reduce because of the ensuing optimal performance. The total effect might be a significant decline in the rate of insolvency and business failure.

Continuous improvement. Environmental scanning is a catalyst for continuous improvement and revision of business practice and process. The process of aligning financial strategy with customer categorization stimulates the use of environmental scanning information to practice the principles of a learning organization. The values of operational effectiveness and process enhancements, resulting from the tenets of a learning organization, underlie the development of environmental intelligence that ensures compatibility between financial strategy and customer categorization. Environmental scanning illuminates knowledge creation and process efficiency, including alignment of critical aspects of business practice, such as financial strategy and customer focus.

Insights from scanning the environment also enable business managers to enhance the efficiency of their capital structure. Leaders of organizations can foresee credible means of using profitability to reduce the percentage of borrowed funds in the capital structure. The insights may guide the formulation of a financial strategy that aligns with customer categorization in achieving profitability goals, which may require a revision of the entire business practice and process. The finding is consistent with the fourth proposition for this study: the practice of a learning organization generates critical knowledge that enables an organization to review the alignment of its financial strategy with the customer-centered operation routinely.

Some advantages from continuous, consistent improvements are the emerging flexibility with which to respond to environmental challenges promptly (Dasgupta & Gupta, 2009; Roux & Oosthuizen, 2010). The ensuing process enhancement may underlie the attainment of low-cost leadership in the industry or high-quality offerings, which may become potent business strategies for an organization (Porter, 1996; Stacy, 2007). Accordingly, anticipated benefits from practicing the principles of a learning organization are incentives to focus environmental scanning function on aligning financial strategy with customer categorization.

The insights from this finding are a basis for addressing the gaps in the current practice of capital structure discussed in the literature review. Abundant profitability that results from enhanced business practice and process, which includes aligning financial strategy with customer categorization causes the equity-debt ratio to tilt in the direction of equity. The rate of return on capital employed may improve, as the capital structure becomes efficient, leading to financial stability.

Adverse changes and environmental uncertainties. Environmental scanning, financial strategy, and customer categorization are weapons for combating adverse changes and uncertainties in the environment. Environmental scanning generates information with which to ensure that crucial business operating tools remain relevant in a changing environment. Environmental scanning shapes the adaptation of business entities to their environments. Organizations, therefore, are complex adaptive systems.

The complexities of the business environment require the sophistication of an environmental scanning that informs the alignment of financial strategy with customer categorization. Ensuring consistency between financial strategy and customer categorization enables business leaders to address the challenge of a rapidly changing and turbulent environment. Longevity and survival result from an environmental scanning that predicates the alignment of financial strategy with customer categorization. The ability to adapt to the changing environment effectively assures the competitiveness of an organization.

The fifth finding of this study is congruent with the fifth proposition for the inquiry: the rapidly changing business environment makes environmental scanning-based alignment of financial strategy with customer categorization inevitable. The finding provokes an additional perspective to the lucid arguments of Carlisle and McMillan (2006), who indicated that organizations are complex adaptive systems. The adaptation of organizations is relative to the flexibility of their operational tools, such as financial strategy and customer categorization. Rigid financial strategy and customer categorization in misalignment would cause an enterprise to be immobile and less adaptive. The finding also informs the solution to the gaps in the current practice of competitive advantage. The use of environmental scanning insights to align financial strategy with customer categorization ensures that the basis for competitive advantage remains relevant in the erratic business environment. The relevance of the factors of competitive advantage is central to boosting customer patronage and generating adequate profitability. Environmental scanning-informed alignment of financial strategy with customer categorization needs to underlie both local and global basis for profitability. The societal wellbeing improves as economic agents make giant strides in adapting to the changing environment, thereby reducing the pressure for hostile takeover bids that curtail the value of healthy competition.

Viable social change and corporate social responsibility. Environmental scanning-informed viable social change and corporate social responsibility initiatives shape the alignment of financial strategy with customer categorization. Financial strategy and customer categorization processes incorporate critical foresight from environmental scanning, which underlie viable social change and corporate social responsibility initiatives. Aligning financial strategy with customer categorization based on environmental trends and factors serves as a platform for engaging in sustainable social change and corporate social responsibility initiatives. In this sense, environmental scanning-informed social change efforts are pivotal in ensuring that financial strategy and customer categorization complement each other. The ideals of sustainable social change and corporate social change, therefore, predicate a need to focus environmental scanning effort on synchronizing financial strategy with customer categorization. Social change and corporate social responsibility effort contribute to customer satisfaction. Fulfilling the obligations of corporate citizenship enhances customers' positive perception of an organization and its offerings. Effective social change and corporate social responsibility endeavors lead to the development of a functional supply chain relationship. Lasting partnering relationships also results from a viable social change and CSR effort. The finding is consistent with the sixth proposition for this study: the need for viable social change and corporate social responsibility initiatives cause business leaders to scan their environment and tailor offerings to their profitability goals.

Aligning financial strategy with customer categorization requires articulation of viable premise for providing social change and CSR values (Aguilera et al., 2007). In the light of this finding, social change and corporate social responsibility actions are not only an ethical requirement but also underlie the streamlining of vital operational tools, such as financial strategy and customer categorization. The finding is insightful for addressing the gaps in current practice of customer satisfaction. Viewing customer satisfaction as a corporate social responsibility ensures that financial strategy will target various customer groups effectively. Environmental scanning-informed corporate social responsibility becomes a ground for aligning financial strategy with customer categorization, which may position the business for profitable operation.

Market adaptation. Environmental scanning and a financial strategy compatible with customer categorization facilitate adaptation to the market. The realities of the prevailing market conditions, trends, and factors underlie the need to harmonize financial strategy with customer categorization. The ultimate goal for formulating financial strategy and developing a basis for customer categorization is to maximize market share and profitability. Market intelligence informs the optimization of essential operational tools, such as financial strategy and customer categorization. An environmental scanning activity that centers on gleaning critical market information promotes the alignment of financial strategy with customer categorization. A financial strategy that aligns with customer categorization enables an entity to accelerate the attainment of efficient market orientation. The finding is consistent with the seventh proposition for this study: the quest to ascertain and efficiently satisfy market needs lead to identifying environmental trends and factors that will inform a synchronized financial strategy with customer categorization.

Accordingly, as long as the primary motive for a business enterprise is to maximize profit by satisfying customer needs, environmental scanning may underlie the formulation of financial strategy compatible with customer categorization. Based on this finding, the erudite observation of Anwar (2008) needs further review. Anwar posited that environmental scanning, strategy implementation, customer focus, new service development, and competitiveness were collectively responsible for 79% deviation from efficient market orientation. The individual application of these market orientation elements would not yield desired optimal performance; neither will a combination of misaligned market orientation factors generate adequate returns. When tools of market orientation, such as environmental scanning, financial strategy, and customer categorization intrinsically align with each other, they lead to achieving adequate performance. The implications of this finding are indicative of the solutions to the gaps in the current practice of market orientation. Insights from environmental scanning enable business managers to view the alignment of financial strategy with customer categorization as one central theme for market orientation. The refocusing of market orientation may elevate the amount of revenue generated from business operations. Customer base may expand as companies effectively identify with the evolving needs of the society.

Rival proposition. The rival Proposition was: environmental scanning is irrelevant to aligning financial strategy with customer categorization. The overwhelming evidence supporting the themes and findings discussed in the preceding paragraphs is a potent rebuttal to the rival proposition for this inquiry. Environmental scanning is germane to aligning financial strategy with customer categorization because of the ensuing rich insight into the trends and factors that may cause misalignment. The formulation of financial strategy and development of a basis for customer categorization depend on a searchlight of environmental influences. Scanning the environment, therefore, is critical to aligning financial strategy with customer categorization.

Relationship of Findings to Existing Literature and Conceptual Frameworks

The findings of this study relate to a broad literature on the topic in many ways. The empirical evidence emerging from this research became a context for substantiating the conceptual foundations that shaped the study. Additional perspectives of the concepts evolved from the results of this project. The findings of this inquiry illuminate the conceptual frameworks that guided the research, as well as shape the understanding of the existing literature in the following ways:

Strategic planning process. Environmental scanning activity enhances the strategic planning process of an organization. Albright (2004) discoursed that environmental scanning activity enhances the strategic planning process of an organization. The findings of this study indicate that environmental scanning increases the capability of the planning function as the role of planning extends to aligning financial strategy with customer categorization. In this vein, planning connects financial strategy with customer categorization by ensuring that same information simultaneously updates both financial strategy and customer categorization. The elevated role of planning negates the informed observation of Mallette (2006), who remarked that there was an absence of a credible structure for routinely updating financial strategy to ensure relevance with the rest of the business activity. The results of this research are a means of linking the scholarly views of Albright and Mallette based on the insights from the first conceptual framework for the study.

Buyers' influence on profitability. Buyers are one major force in the business environment that influences profitability. Porter (2008) posited that the bargaining power of buyers was one influence in the business environment that shaped both the volume of business and profitability for an industry. Customer patronage predicates the growth and survival of a retail business. According to the results of this study, an environmental scanning-informed financial strategy that aligns with customer categorization enables an organization to tailor its service and offering to the exact need of each customer group.

Customer satisfaction results in relinquishment of influence and commitment to a long-term relationship with the service provider. Customers, who consistently pay on time, offer to prepay for services, and maintain a long history of patronage, manifest more of a conformance attitude than a dissenting posture. In this context, aligning financial strategy with customer categorization moderates the dominance of customers.

The insights from this finding suggest that the reality of Porter's concept is visible only when there is no solution to the potential bargaining power of customers.

Bedrock of business success. Environmental and market intelligence, which informs sustainable development, is the bedrock of business success. O. Pearce (2008) remarked that sustainable development entails harmonizing economic, environmental, and social needs, and integrating them into organizational decision-making process. Thus, changes in environmental and social conditions affect economic activities and business performance (Senge et al., 2008). The findings of this study indicate that environmental intelligence guides business managers to identify the sustainable development needs of customers, which may underlie the alignment of financial strategy with customer categorization. Aligning financial strategy with customer categorization incorporates the need for economic, societal, and environmental preservation. Customers are part of the society that relies on the resources of the environment for their survival. A financial strategy-informed business process that results in the degradation of the environment would lead to customer dissatisfaction, which would result in a poor basis for customer categorization. The insights from this research, therefore, indicate that aligning financial strategy with customer categorization enhances sustainable development.

Environmental changes. The practice of a learning organization enables an entity to adapt quickly to environmental changes. Stacy (2007) opined that strategic change results from the practice of a learning organization and knowledge creation. The findings of this study indicate that environmental scanning illuminates knowledge creation and process efficiency, including alignment of critical aspects of business practice, such as financial strategy and customer focus. Information about trends, factors, and conditions in the environment enriches the basis for practicing the tenets of a learning organization. The effort in aligning financial strategy with customer categorization involves operational effectiveness and process enhancements, which results from consistent learning. Accordingly, aligning financial strategy with customer categorization instigates the discipline of practicing a learning organization.

Complex adaptive systems. Organizations are complex adaptive systems that operate under chaotic conditions and in turbulent environments. Carlisle and McMillan (2006) stated that organizations are complex adaptive systems, and chaotic conditions underlie sporadic and emergent changes in the organizational environment. According to the results of this study, the consistency of financial strategy with customer categorization that results from scanning the environment enables organizations to address the challenges of a rapidly changing and turbulent environment effectively. Organizations use insights from environmental intelligence to refocus crucial operating tools, such as financial strategy and customer categorization to ensure they are relevant to the erratic environment. The compatibility of financial strategy with customer categorization becomes a basis for effectively adapting to the complex environment.

From this perspective, the lucid arguments of Carlisle and McMillan may need further review. The flexibility of critical operating tools, such as financial strategy and customer categorization determines the extent of adaptation of business organizations to their environment. The company that operates with rigid financial strategy and customer categorization in misalignment would be immobile and less adaptive. Some organizations may lack the status of complex adaptive systems utterly, as the inability to respond positively to changes causes them to disintegrate.

Social change and corporate social responsibility. Social change and corporate social responsibility (CSR) are implicit in business relationships with customers. Aguilera et al. (2007) hinted that business systems encompassing individuals, groups, organizations, economies, and nations interact to provide mutual benefits in terms of social change and CSR for each other. The findings of this study indicate that environmental intelligence helps to identify sustainable social change and corporate social responsibility initiatives, which underlie the alignment of financial strategy with customer categorization. The mutual values implicit in transaction relationship drive the commitments of customer, service provider, stakeholders, society, and the global community to the ensuing contractual obligations.

Aligning financial strategy with customer categorization leads to a profitable business performance free of unconscionable practices, which contributes to the welfare of the society. Aligning financial strategy with customer categorization, therefore, is a potent means of effecting social change. Likewise, customer satisfaction is an ingredient of corporate social responsibility (Sangeetha & Pria, 2011). The input-output process of every economic agent indicates that every entity is a customer to some extent.

Organizations, individuals, and nations predicate their offerings on the inputs from other value chains. The provision of customer satisfaction initiatives, therefore, is iterative among business systems.

Market needs. The prevailing market needs of customers drive business operations. Anwar (2008) posited that the focal point of market orientation concept is gathering market intelligence, analyzing, and applying the information to improve an organization's position in the market (Anwar, 2008). The results of this research indicate that environmental scanning gleans market intelligence with which to ensure consistency of financial strategy with customer categorization. Refocusing critical operational tools, including financial strategy and customer categorization underlies adaptation to prevailing market conditions, trends, and factors.

Alignment of financial strategy with customer categorization, therefore, is a basis for market orientation. The findings suggest that isolated application of individual factors of market orientation may not generate adequate performance. The findings provoke a further review of Anwar's market orientation concept. Individual application of the elements of market orientation predicated Anwar's observation that environmental scanning, strategy implementation, customer focus, new service development, and competitiveness were collectively responsible for 79% deviation from efficient market orientation. Effective combination and alignment of the factors of market orientation generates satisfactory performance.

Findings and Effective Business Practice

The findings of this study are germane to the body of knowledge for business practice. First, environmental scanning-informed planning predicates the alignment of financial strategy with customer categorization. The expansion of executive foresight that results from garnering business intelligence (Albright, 2004; Clemens, 2009) gets a boost by using the outcome of intelligence to align financial strategy with customer categorization. The finding indicates a means of applying the executive foresight that stems from business intelligence.

Predicating the alignment of financial strategy with customer categorization on planning enables organizational executives to foresee and articulate a credible means of optimizing resources (Earle, 2009; Elci, 2009). Environmental scanning-informed planning, which underlies a financial strategy compatible with customer categorization, is the bedrock of entrepreneurial business (Li, Tse, et al., 2006). Scanning the environment enables business managers to focus their financial strategies and operating plans on overcoming future threats (Albright, 2004; Dixon, 2008; Earle, 2009; Williams, 2007). Executives also use environmental scanning to exploit anticipated advantages.

Second, focusing environmental scanning on enhancing customer value may lead to the formulation of a financial strategy that aligns with the basis for customer categorization. Accordingly, environmental intelligence fosters a proactive approach to managing relationships with customers in recognition of the bargaining power of buyers (Porter, 2008). The finding suggests that it is not enough to predicate the formulation of financial strategy and identification of potential customers on business intelligence, as observed by Calandro and Flynn (2007), Kohn (2005), and Mallette (2006). Information on environmental trends and factors should lead to compatibility between the formulated financial strategy and the developed basis for customer categorization. Inconsistency between the two tools would result in suboptimal performance.

Third, the need for business viability requires ascertaining critical environmental trends and factors that assure unflinching consistency between financial strategy and customer categorization. The alignment of financial strategy with customer categorization enables organizations to create values for customers by offering needs-satisfying solutions (Ngamkroeckjoti & Speece, 2008). Environmental intelligence enables a financial strategy that aligns with customer categorization to become a basis for sustainable competitive advantage in the marketplace (Chen, Chan, & Cheng, 2011; Leick, 2011; Porter, 2006). Hinrichs (2010) indicated that business success depends on the ability to achieve a viable performance consistently. The findings of this study are consistent with the view of Hinrichs; continuous viability is the bedrock for sustainability. The findings also indicate that the need for viability instigate innovativeness (Elci, 2009; Gliddon, 2006; Hamel & Prahalad, 2005; Tuulenmäki & Välikangas, 2011).

Fourth, funding decision creates a basis for focusing environmental scanning on aligning financial strategy with customer categorization. Insights from environmental scanning indicate possible surpluses and deficits in funding business operations

(Lyandres, 2007; Petre, 2008). The findings suggest that aligning financial strategy with customer categorization does not only help to manage cash flow cycle in business operations but also leads to ensuring adequacy of operating funds. The result is insightful in addressing the challenges of cash flow cycle discussed by Bhunia, Khan, and Mukhuti (2011) and Sunday (2011). Effective business practice depends on sufficient working capital.

Fifth, the use of environmental scanning, as a basis for business strategy and profitability, shapes the alignment of financial strategy with customer categorization. The consistency of financial strategy with customer categorization underlies a successful business operation that generates adequate profitability. Profitability is a major source of internal funds (Badulescu, 2010). The finding, therefore, illuminates a credible basis of ensuring effective business practice.

Sixth, environmental scanning-based practices of a learning organization inspire the values of operational effectiveness and process enhancements, which lead to the development of environmental intelligence. Environmental intelligence informs compatibility between financial strategy and customer categorization. The practice of a learning organization is a foundation for knowledge management (Dasgupta & Gupta, 2009; Roux & Oosthuizen, 2010). Relevant knowledge underlies the development of critical skills, capability, and competence, which may result in sustainable competitive advantage (Luecke, 2005; Stacy, 2007). A learning organization that has roots in environmental trends and factors will incorporate the alignment of financial strategy with customer categorization, as part of operational effectiveness and process enhancements. New insights into viable means of ensuring alignment will emerge from an effective practice of a learning organization. The results of this research are a basis for enhancing the practice of a learning organization.

Seventh, the complexities of the business environment require the sophistication of an environmental scanning that informs the alignment of financial strategy with customer categorization. The economic landscape is erratic and turbulent (Axson, 2011; Hallin & Marnburg, 2007; Min, Min, Joo et al., 2009; Sankaran, Tay, & Orr, 2009). The complexities associated with the business environment are sometimes responsible for the misalignment of critical operational tools. The findings of this inquiry are insightful in focusing business operations in changing environmental conditions. The ability to align vital aspects of business activity, such as financial strategy and customer categorization creates a sense of inimitability from the general effects of the erratic environment. The insights from this study may be a premise for ensuring the relevance of business practice.

Eighth, a financial strategy consistent with customer categorization serves as a platform for engaging in sustainable social change and corporate social responsibility initiatives. Excellent corporate social responsibility initiatives are central to attaining corporate goals (Sangeetha & Pria, 2011). Environmental scanning-informed financial strategy that aligns with customer categorization accelerates the means of attaining corporate goals. Environmental intelligence illuminates sustainable corporate social responsibility initiatives. The finding is insightful in predicating customer satisfaction, as customers are part of the society (Aguilera et al., 2007).

Ninth, an environmental scanning activity that centers on gleaning critical market information promotes the alignment of financial strategy with customer categorization. Effective market orientation is a prerequisite for business survival (Anwar, 2008; Davies, 2008; Nejatian et al., 2011). Aligning financial strategy with customer categorization enables organizational leaders to adapt their operations to market paradigms and conditions. Consistency between financial strategy and customer categorization enhances effective business practice, as it inspires a holistic approach to conducting business.

Conclusion

The findings of this study indicate that environmental scanning supports the formulation of a financial strategy compatible with customer categorization by enhancing the capability of planning, underlying customer-focused operation, predicating business viability, and informing funding decisions. Environmental scanning also underlies business strategy and profitability, ensures relevance in a changing environment, and predicates sustainable social change and corporate social responsibility initiatives. Finally, predicating market orientation on environmental scanning ensures compatibility between financial strategy and customer categorization. The results not only substantiate the conceptual frameworks for the study, they also indicate further insights into the concepts. The findings suggest a credible means of filling the gaps in the current practice of environmental scanning, financial strategy, and customer categorization.

In the strategic planning phase of organizational development, a company must first evaluate the customer categorization using environmental intelligence. The entity may use similar environmental insights to assess the financial strategy and to encompass the results of the customer categorization. Last, environmental scanning predicates the financial strategy with the already inbuilt customer categorization. Figure 6 is the model of the Anyiwe planning strategy, which depicts the conceptual model of the findings of this study. The model of the Anyiwe planning strategy may ensure a robust business strategy that encapsulates financial strategy with customer categorization based on a foundation of environmental scanning.

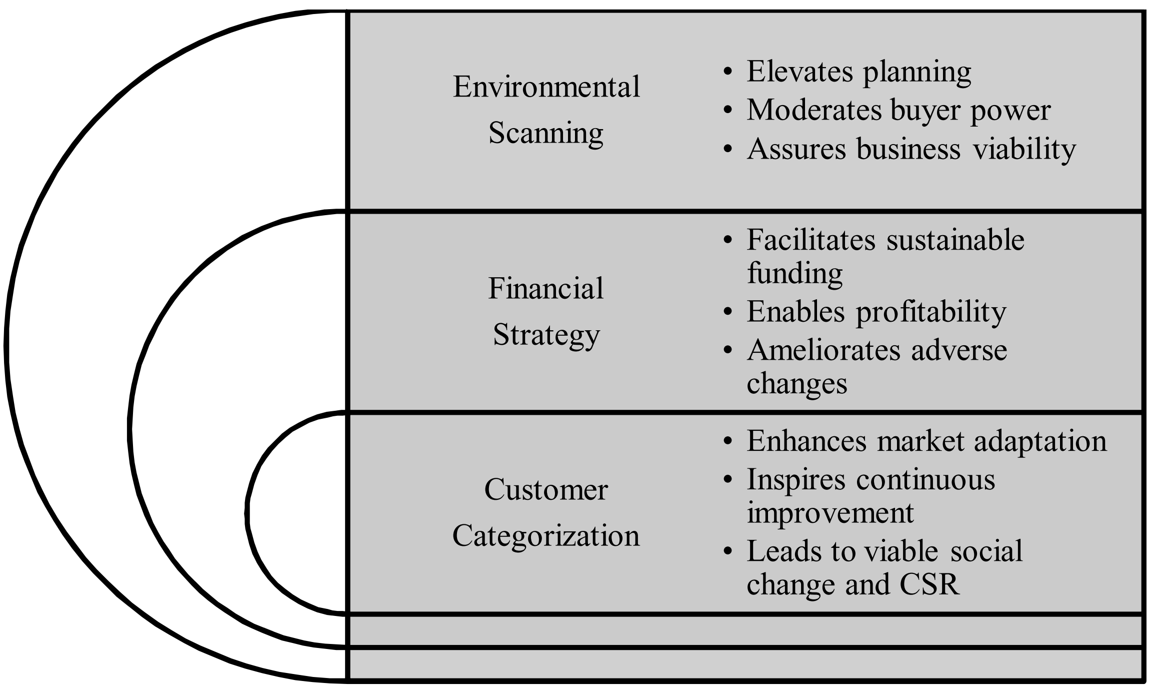

Figure 6. The Anyiwe planning strategy depicting the conceptual model of the findings of this study.

Useful applications that may enhance business practice emerged from the results of this study. The additional insights are a contribution to the existing body of knowledge. The practical aspects of this research are a means of connecting business theory to practice.

Applications to Professional Practice

The applicability of the findings of this study to professional business practice is the focus for discussion in this subsection. The discussions reflect the relevance of the results in improving business practice. The applied research nature of this study underlies the need to ensure its relevance in enhancing business process.

The significance of the study in section 1 contains the identified current gaps in the understanding and effective practice of business, relating to this inquiry, which includes:

1. Inadequate integration of environmental scanning into alignment of financial strategy with customer categorization;
2. Insufficient connection of strategic planning to financial strategy and customer categorization processes;
3. Poor relationship of the bargaining power of buyers to internal-generated operating funds;
4. Effect of the disharmony between business activities and societal needs, on the profitability of business entities;

5. Insufficient capacity for using a learning organization to enhance environmental scanning activity;
6. Substandard linkage of environmental scanning to understanding and managing chaotic organizational conditions; and
7. Poor perception of the satisfaction of customers' needs as a basis for effecting social change.

The results of this research indicate several means of alleviating the perceived business problems, which contributed to 79% of the factors hindering optimal performance (Anwar, 2008). The insights from the findings may enable business leaders to prevent operating losses amounting to excess of $100 million every decade (De Fontnovelle et al., 2006). The plausible basis for using the insights from environmental scanning to align financial strategy with customer categorization as discussed in the findings of this study may shape the optimization of critical tools of business practice. Organizations may focus their business process in a coherent manner consistently and efficiently ensuring high quality performance. Alignment of operational business tools enhances the coordination function of management and leads to effective business practice. Wasteful duplication of resources and effort may be at a minimum. Suboptimal organizational activities may reduce as department leaders appreciate the interdependence of their operations. The findings may inspire a holistic perception of organizational efforts, thereby enhancing the potentials for fruitful synergy.

The results of this study may lead to the expansion of values derived from the planning function, as environmental intelligence solidifies the efficacy of planning. The formulation or revision of financial strategy and the basis for customer categorization, using the same piece of planning information, may ensure the use of a unified force in conducting business practice. The provision of services to customers may be in conformity with predetermined customers' needs and preferences. An efficient systematic procedure may be in place for updating critical aids employed in business practice, such as financial strategy and customer categorization. Business operations may function with minimal disruptions and inconsistencies. The values derived from planning activity may far outweigh the cost incurred in the function. An effective, result-oriented financial strategy may emerge from predicating the alignment of pivotal business tools on environmental scanning-informed planning process. The foresight capacity of business executives may broaden, leading to the development of managerial acumen and expertise.

The recognition of the fundamental primacy of customers in a business relationship, as indicated in the findings of this study may enable retail businesses to generate much of their funding resources from internal business operations. Customer satisfaction and loyalty may result from excellent customer service and focus. Increased patronage from customers may cause profitability to be the major source of funding critical business operations. The need for borrowed funds may subside. Organizations may avoid the unpleasant consequences of borrowing. The findings of this study may promote the viability of enterprises, as the ensuing profitability may lead to effective management of cash flow cycle. Organizations may be financially stable and avoid the risk of business failure.

The results of this research promote the understanding that customers are a subset of the society. Customers represent segments of the society. The needs of customers are insightful of the needs of the broad society. The findings of this study may help business leaders to position their organizations in the society by satisfying the needs of their customers. Companies can use their relationship with customers to create a positive impression in the society for its business practice and offerings. Favorable public opinion or acceptance of an organization may lead to successful business operation. The general dissonance associated with profit maximization objective of commercial enterprise may abate by using the results of this study. Customer satisfaction-informed prudent business practice may cause the society to patronize the entity passionately and perceive it as a partner in progress and development of the community.

The findings of this study accentuate the significance of the practice of a learning organization. The operational effectiveness and process enhancements emanating from environmental scanning-informed practice of a learning organization may strengthen the business strategy and competitiveness of retail enterprises. The innovativeness of business leaders may enlarge as they develop creative ideas from trends emerging from the practice of a learning organization. Designers and developers of new products may identify several feasible and viable solutions that may underlie the attainment of sustainable competitive advantage. Sophisticated practice of a learning organization may reflect in adequate knowledge management within an organization, which may promote group dynamism. Companies may improve the management of their intellectual capital and efficiency of human resources. The results of this study may contribute to elevating the skills, capability, knowhow, and competence of workers and managers. Insights from the increased capability of a learning organization, emanating from this research may enable a business entity to exploit opportunities and strengths significantly, as advantage for offsetting potential threats and weaknesses. The findings of this inquiry may contribute largely to fulfilling the corporate mission of an entity. An enhanced learning organization practice may underlie continuous alignment of critical business tools such as financial strategy and customer categorization.

The results of this study indicate credible means of overcoming the effects of uncertainty, complexity, and turbulence in the business environment. The insights from the research may enable organizations to avoid unexpected events or surprises caused by a changing environment. Businesses may increase their proactive approaches to operating factors or conditions by making adequate preparation in response to environmental issues. Forecasting and projections capability of business leaders may increase. The study may lead to increased flexibility of business operations, which may enhance their adaptability to the environment. Companies may more accurately predict or determine the existing and evolving needs of their customers. Market orientation effort may be successful, as businesses may adequately align critical marketing factors (Anwar, 2008). Fluctuations in business performance may decline as the basis for sustainable growth emerges. The findings of this study, therefore, serve as a tool for dealing with the ambivalence of the business environment. The inevitability of organizational chaos may no longer be a threat, as leaders of enterprises may perceive it as an opportunity for growth and innovation.

Although the full discussion of implications for social change is in the next subsection, it is fair to mention here that the findings of this study have a potential to revolutionize the practice of business in terms of changing fundamental perceptions. Entrepreneurs may no longer view business ventures as only profit generating activities; rather business practice may incorporate societal aspirations and wellbeing. Extensive revision of mission statements, value statements, corporate goals, strategies, and business plans may result from implementing the findings of this study. Enterprises may reorganize their value chains and value systems, which may lead to increases in corporate alliances, cooperation, and partnering agreements among organizations. Business entities may realize meaningful synergies, which may translate into efficient operating cost and satisfactory profitability.

Implications for Social Change

The potential for using the findings of this study to effect social change is the subject of discussion in this subsection. The discussion is an elaboration of the implications for social change provided in the significance of the study in section 1. Expansion of employment opportunities, prosperity of the nation, and reduction of negative behaviors are some of the social change implications for this study.

The findings of this research clearly indicate credible means of enhancing profitability, which may result from boosting the level of customer patronage. Profitability is tantamount to business success and growth. Human resources are pivotal to sustaining business success. Business success, therefore, leads to increase in demand for human resources. The results of this study may be a basis for expanding employment opportunities available to society, as organizations draw their human resources from this society. The employment of the populace may positively affect the intelligence capacity of the community by engaging workers in creative activities. Active employment may increase the skills and assets of the society. The findings of this study may be the means of improving the mental and psychological health of society, as social disorder declines.

The insights from this study may enable the citizens of a nation to improve their standard of living and economic wellbeing. Expanded employment opportunities may elevate the income or remuneration of workers, thereby increasing their purchasing power. Members of the society may afford not only the necessities of life but also the essence that promotes quality of life. Increased patronage from society may encourage further inventions or development of technology, which contributes to high quality of life. The rate of poverty, crime, and violence may significantly decrease.

The results of this inquiry may underlie job security. The level of competition that may emanate from implementing the findings of this study may benefit society by reducing the prices of products, and enhancing the quality of offerings. Organizations may innovate phenomenal ways of reducing their operating costs and improving the capability of their products. The consumers may experience cost-savings in acquiring their needs, as business leaders recognize the primacy of customers in transactional relationships.

The findings of this study, when applied may positively affect the productivity of the populace. Mass production of goods and services is the only means of achieving viability with a low-cost regimen. The pressure to mass-produce may cause organizations to use relevant strategies to extract maximum productivity from their workers. The Gross Domestic Product (GDP) of the nation may increase, leading to national wealth, economic stability, and prosperity of the country. Higher income may be available to the government from assessment of taxes and fees based on increased productivity. The development of the community through the provision of public amenities may get a boost from increased funding. The level of patriotism to the nation may increase among the citizenry as they enjoy the comparative advantages of their country. Human capital may remain in the home country, as nationals are successful in their quest for opportunity and prosperity.

Recommendations for Action

The conclusions from the results of this study illuminate appropriate potential actions for ensuring that businesses derive meaningful benefits from the research. Steps for useful actions as well as the parties who need to pay attention to the results and assist in social change efforts is the focus for discussion in this subsection. The discussions indicate the means of disseminating the results of this in-depth investigation.

General Recommendations

Environmental scanning should be the foundation for planning business activities. The awareness of potentially relevant, futuristic environmental factors, trends, and conditions should take precedence over historical-based projections in planning business operations. The role and manner of using a planning function needs a reassessment. Organizations should heighten the use of planning to coordinate critical aspects of their business operations.

Some operational tools, such as financial strategy and basis for customer categorization require same-time formulation or revision. Environmental intelligence-enriched planning activity should predicate the development or update of both financial strategy and customer categorization. Business practitioners should develop adequate strategies for ensuring that same piece of information underlie financial strategy and customer categorization. Using common information to fine-tune financial strategy and customer categorization eradicates inconsistency or misalignment. In this context, the practice of financial strategy should be in tandem with the focus for categorizing and targeting customers.

Business enterprises need to focus their environmental scanning effort on the identification of opportunities for improving the values provided to customers. Financial strategy and customer categorization should assume dual roles, by facilitating adequate profitability and as a means of enhancing customer values. Leaders of organizations should demonstrate their commitment to providing superior satisfaction for customers consistently. Service providers and businesses should explore all viable leads from environmental intelligence in enhancing the bottom line of their customers. Enterprises should not ignore the sustainability aspirations of their customers, as they depend on the vitality of the environment.

The reduction of environmental footprint should be of highest priority. Companies need to target the quality of their service provision and relationship with customers at eliciting loyalty, commitment, and trust, which may make it difficult for buyers to stop their patronage of the organization. Accordingly, organizations should examine the profile and transaction history of their customers routinely to determine the extent of the forming loyalty.

Company executives should perceive environmental scanning as a means of attaining business viability. Opportunities for lowering operating costs, proactive business management, and developing sustainable competitive advantages should emanate from the environmental scanning function. Leaders should see the challenges of market forces and competition as a compelling need to predicate the survival of their business operations on critical insights from environmental factors, trends, and conditions. High quality environmental scanning, therefore, should underlie major innovations. Environmental intelligence needs to shape both incremental and radical innovations as well as underlie the formulation of commensurate financial strategy and customer categorization for accomplishing the goals of the innovation. Environmental intelligence should illuminate all aspects of a business central to its viability.

Environmental scanning insights should guide the allocation of financial resources and other pivotal funding decisions. Both operating budgets and projected cash flow statements should reflect patterns and trends identified through environmental scanning. The sources and application of funds as well as the timing of capital expenditure should develop from the illumination indicated by business intelligence. Companies should use environmental scanning to predetermine cyclical seasons, surplus, or shortage of funds. The investment of surplus funds and the consideration of options for augmenting shortage of funds should center on environmental intelligence. Environmental scanning generates insights into the factors that contribute to adequate funding such as financial strategy and customer categorization.

The leaders of enterprises should recognize the role of environmental scanning as an enabler of business strategy and profitability. A business strategy inconsistent with the patterns, trends, factors, and conditions garnered from environmental scanning may fail in the onset. A critical analysis of the business environment should precede the formulation of business strategy. The basis for outperforming the competition should emanate largely from the environmental scanning insights. Profit targets and critical benchmarks should stem from actively analyzing the markets and the industry. Organizations should use environmental intelligence to enhance their strengths, minimize weaknesses, exploit opportunities, and avoid threats. Scanning the environment should contribute to aligning critical subsets of a broad business strategy such as financial strategy and customer categorization, which enhance profitability.

Business managers should develop effective links between environmental scanning and the practice of a learning organization. The entities need to align business intelligence with a learning organization to enhance opportunities for operational effectiveness and superior process. Knowledge creation and management need to be consistent with the trends and conditions in the business environment. Environmental scanning needs to underlie the systematic approach to disseminating knowledge, involving self-organizations and group dynamism. Leaders should use insights from environmental factors to regulate and foster both emergence and convergence learning instances. The linkage of environmental scanning to the practice of a learning organization should inform a financial strategy that aligns with customer categorization.

Companies should leverage the efficacy of environmental scanning in addressing the challenges of an erratic and changing business environment. Insights into the prevailing factors, conditions, and patterns need to predicate the approach for dealing with organizational complexity issues as well as operational chaos from local self-organizations. Leadership skills and potentials for radical innovation at the time of changes and transformation should emerge from business intelligence insights. Environmental scanning activity should be a platform for ensuring that fundamental operational tools, such as financial strategy and customer categorization remain relevant and effective in the changing environment.

Environmental information needs to indicate potential, sustainable social change and corporate social responsibility initiatives, which may result from a financial strategy that aligns with customer categorization. If social change and corporate social responsibility endeavors were inconsistent with the goal of ensuring compatibility between financial strategy and customer categorization, the effort for profitability would be in jeopardy. Environmental intelligence, therefore, should illuminate the means of using social change and corporate social responsibility to enhance the viability of the enterprise. Sustainable social change and corporate social responsibility efforts should incorporate factors that lead to the alignment of financial strategy with customer categorization.

Environmental scanning should facilitate market orientation. Managers should use the information from environmental scanning to adapt their business practice to the prevailing conditions and realities of the market. Market analysis and intelligence should inform the evolution of financial strategy and customer categorization. Organizations need to operate with flexible financial strategy and basis for customer categorization.

Affected Parties

The host organizations for this study and retail businesses should pay attention to the results of this research, as they may benefit from the study in terms of enhanced efficiency and profitability. The local community of the host city may benefit from the flourishing business activities and employment opportunities that may result from this study. The society may experience increased purchasing power, as this study may lead to a level of business competition that may reduce price inflation. The results of this inquiry may enable governmental departments to generate higher revenues from tax assessments and levies because of increased profitability of business organizations. Non-governmental organizations and interest groups may exploit the sustainability aspirations of customers indicated in this study by asking for increased reduction of the environmental footprint.

Leaders of the host organizations, retail businesses, and enterprises in general, who apply the findings of this study, may help with the social change efforts indicated in this study. The leaders may use their enhanced business practice and profitability to create employment opportunities and national income. The leaders may use gainful employments to transform the societal values of the populace. The citizens may participate in the process of social change by taking advantage of employment opportunities and contributing to national income through taxes and consumer expenditure. Active employment may be a disincentive for citizens to engage in negative social behavior. Governmental departments may positively affect social change through the provision of increased recreational and public amenities as this study may predicate the generation of adequate revenue for funding such capital expenditure.

Results Dissemination

The means of sharing the results of this study are multifold. Some avenues for imparting the study results are facilitating conferences, conducting training, contributing to literature on topical issues relating to the results, and participating in seminars and special task forces or committees on business problem resolution. Another method of conveying the study results to interested parties is providing executive guidance in the conduct of business practice through consulting opportunities. I may explore opportunities to author articles that may be featured in professional journals.

The published materials may incorporate relevant segments of this study to broaden the horizon of academic inquiry. I may seek faculty positions with reputable institutions of higher learning as an opportunity to inculcate some of the insights from this research in upcoming professionals and managers. Educational institutions may have an opportunity of including this study in their libraries so that students and other interested parties can access the material and get relevant information. The material may also be available to the public through the Walden doctoral study publication services as an electronic retrievable research source for any interested party.

Recommendations for Further Study

The insights from this study indicated potential aspects of business practice that may require further investigation. The discussions in this subsection relate to useful recommendations for extending the inquiry into the efficacy of business practice. I discussed alternative methods of approaching the investigation into this topic worthy of consideration. Identified and emerging areas of research that spawned out of this study are part of the recommendations discussed in this subsection.

The patterns that emerged from the results of this study indicate that there is a relationship among environmental scanning, financial strategy, and customer categorization. Testing relationships between or among variables is only possible when using quantitative method of inquiry (Creswell, 2009; Gelo et al., 2008). The orientation of this qualitative research lacked the capability to examine the extent of relationships among environmental scanning, financial strategy, and customer categorization. The conduct of a quantitative study to determine the significance of relationships among these variables might be worthwhile. The results of the quantitative inquiry might substantiate or otherwise indicate an empirical basis for challenging the conclusions of this study. Future researchers may use a quantitative correlational design to evaluate the results of this study.

The results of this research indicate that the consistency of financial strategy with customer categorization is fundamental to business success. Business practitioners would benefit from an investigation into past business failures for which misalignment of financial strategy and customer categorization was responsible. A multiple-case study content analysis may be the best research design for exploring such contextual issues, as it may be difficult to identify participants from defunct business entities. Governmental agencies and professional associations may have abundant materials, resources, or literature on failed business from where to draw insights into the causes of business demise. The results of the content analysis may corroborate the conclusions of this study or further illuminate the values of aligning financial strategy with customer categorization.

The focus for this study was on retail businesses that cannot survive without adequate profitability. Environmental scanning, financial strategy, and customer categorization, however, may also be relevant in nonretail businesses as well as in not-for-profit entities. Adequate funding is pivotal to any form of business activity (Badulescu, 2010). The demand for the offerings of an organization is indicative of a customer relationship, which is central to the continuity of the entity (Fuxiang & Yuhui, 2011). Accordingly, every organization requires sufficient funding and an adequate customer base. Future researchers may want to investigate the role of environmental scanning in aligning financial strategy with customer categorization in nonretail businesses and not-for-profit companies. The insights from such investigation may augment the findings in this research.

Reflections

The practical implications of this study contributed to the energy and resourcefulness with which I conducted the in-depth investigation process. Upon developing the research idea, which emanated from a practical work setting, I carefully evaluated potential personal biases that may affect the conduct of data collection, analysis, interpretation, or presentation of results. The assessment informed the establishing of potent trustworthiness strategies that guided against inaccurate or dishonest conclusions from the study. My primary interest was to explore and understand from the perspectives of the participants and the insights into the problems defined in the study. I, therefore, exclusively used the responses and other empirical evidence from the participants to answer the study research question. The participants reviewed the transcripts of their verbal responses and confirmed their accuracy.

I had no influence over any of the participants even though they had an employment relationship with me; nor did I exact any form of influence during recruiting of participants and data collection. The ethical process outlined in both the proposal and IRB application guided the conduct of this research. My employment relationship with the organizations that served as research sites did not influence the study process or results. Part of the reliability strategy was to use the sites as a sample of the retail industry. Accordingly, the study focus was on the entire retail industry using the chosen research sites as a sample. The targets of the study benefits are all retail business practitioners, not just the host organizations. The conduct of this study enriched my understanding as the emerging insights broadened existing perspectives. The business practice orientation of this study was instrumental in exploring and discovering critical platforms for enhancing business performance.

Summary and Study Conclusions

An organization, operating with a financial strategy that misaligns with customer categorization, may underutilize its environmental scanning and planning functions, underserve its customers' needs, and risk losing desired level of business viability. Such an enterprise may not ground critical funding decisions on environmental trends, factors, and conditions; it may operate with ineffective business strategy, leading to perfunctory profitability. The business may be more reactive than proactive to environmental changes and may succumb to the complexity of the environment; knowledge creation may suffer, and its social change and corporate social responsibility efforts may be porous. The organization may be oblivious to the current market needs and realities. The insights from environmental scanning may guide a company to prevent or overcome the negative consequences of an incompatible financial strategy with customer categorization. Environmental intelligence is a means of aligning financial strategy with customer categorization.

Leaders of organizations may achieve meaningful synergy in business practice when they leverage their environmental scanning resources in aligning financial strategy with customer categorization. Suboptimal actions may decline. Efficient allocation of resources may result. Companies may use a unified force and competence to target and serve their customer base. Development of offerings and innovativeness may be germane to the market. Internally generated funds may increase, thereby discouraging the need for expensive borrowing. Businesses may attain sustainable competitive advantage. Gainful employment opportunities may be in surplus in the society, leading to improved economic welfare for the host community and the nation as well. Negative social behaviors may decline drastically.

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Appendix A: Anyiwe Environmental Scanning Inquiry

Research Topic: Aligning Financial Strategy with Customer Categorization based on Environmental Scanning

Research Goals:

- understand the processes for scanning business environment, formulating financial strategies, and serving customers' needs
- identify how environmental scanning can functionally contribute to financial strategy formulation, and articulation of buyers' needs
- understand how to align financial strategy with marketing strategy-based customer categorization, based on the information from environmental scanning
- learn how alignment between financial strategy and customer categorization will enhance business performance
- identify potential societal values that may emanate from adequate environmental scanning strategies
- address the gaps in business practice resulting from the misalignment of financial strategy with customer categorization

Date of Interview:

Time:

Venue:

Job Function of Interviewee

Questions:

1. Explain in detail the process of gathering and using business intelligence data.
2. Explain in detail the processes of determining viable offerings, markets, revenue potentials, product development funding, and customer-product satisfaction.
3. Describe the process of identifying and creating new business solutions.
4. Describe in detail the process of determining the funding requirements for your business operations.
5. How does profitability contribute to the funding of your business operations?
6. Describe the process of determining the finance option for funding different business operations.
7. Describe the process of evaluating customer satisfaction for your business.
8. Explain how you adapt your business to the prevailing market needs and conditions.

9. Describe the basis for your organization's competitive edge in the marketplace.

Thank you for volunteering to participate in this doctoral study research. Your interview responses will remain confidential. I will provide you with a copy of the transcribed interview data upon your request.

Appendix B: Letter of Cooperation from Retail Organization 1

Retail Organization 1
Midwest City,
United States

October 2, 2011

Dear Timothy Anyiwe,

Based on my review of your research proposal, I give permission for you to conduct the study entitled Aligning Financial Strategy with Customer Categorization based on Environmental Scanning within Retail Organization 1. As part of this study, I authorize you to conduct interviews. Individuals' participation will be voluntary and at their own discretion. We reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the research team without permission from the Walden University IRB.

Sincerely,

President
Retail Organization 1

Appendix C: Letter of Cooperation from Retail Organization 2

Retail Organization 2
Midwest City,
United States

October 2, 2011

Dear Timothy Anyiwe,

Based on my review of your research proposal, I give permission for you to conduct the study entitled Aligning Financial Strategy with Customer Categorization based on Environmental Scanning within Retail Organization 2. As part of this study, I authorize you to conduct interviews. Individuals' participation will be voluntary and at their own discretion. We reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the research team without permission from the Walden University IRB.

Sincerely,

Vice President
Retail Organization 2

Appendix D: Consent Form

You are invited to take part in a research study on Aligning Financial Strategy with Customer Categorization based on environmental Scanning. You were chosen for the study because:

- You are an employee of xxxxxxxxxx or xxxxxxxxxx;
- You have been employed for at least 1 year with the organization;
- You are knowledgeable in the practice of environmental scanning, strategy formulation, sales or marketing, or finance; and
- You are at least 18 years old.

This form is part of a process called "informed consent" to allow you to understand this study before deciding whether to take part. Please keep a copy of this consent form for your records after signing it. This study is being conducted by Timothy Anyiwe, a doctoral student at Walden University. Timothy Anyiwe is a xxxxxx and has a xxxxx role in the organizations selected for this study; however, the study is separate from that role.

Background Information:
The purpose of this study is to:

- understand the processes of scanning business environment, formulating financial strategies, and serving customers' needs
- identify how environmental scanning can functionally contribute to financial strategy formulation, and articulation of buyers' needs
- understand how to align financial strategy with marketing strategy-based customer categorization, based on the information from environmental scanning
- learn how alignment between financial strategy and customer categorization will enhance business performance
- identify potential societal values that may emanate from adequate environmental scanning strategies
- address the gaps in business practice resulting from the misalignment of financial strategy with customer categorization

Procedures:
If you agree to be in this study, you will be asked to respond to an interview for about 20 minutes. Prior to conducting the interview, the researcher will request to verify with your Driver's License that you are at least 18 years old. The interview will be audio-recorded. The interview will be transcribed verbatim and provided to you to review for accuracy.

Voluntary Nature of the Study:
Your participation in this study is voluntary. This means that everyone will respect your decision of whether or not you want to be in the study. If you decide to join the study now, you can still change your mind during the study. If you feel stressed during the study you may stop at any time. You may skip any questions that you feel are too personal.

Risks and Benefits of Being in the Study:
The interview is expected to last twenty minutes of your time. You will not be in danger of physical or mental health at any time. The research will inform the enhancement of your business practice and boost the profitability of your organizations. The use of the study results will ensure viability of your companies and employment security for your workers. The research will also positively affect the economic welfare of your families and the society at large.

Compensation:
No compensation other than a $5 "thank you" gift card will be provided for your participation in the study.

Confidentiality:
Information you provide is confidential. The researcher will not use your information for any purposes outside of this research project. The researcher will not include your name or other identifying information in reports of the study.

Contacts and Questions:
Questions regarding the study and your participation may be answered by the researcher by phone, xxxxxx, or e-mail, xxxxxx. If you want to talk privately about your rights as a participant, you can call xxxxxx at xxxxx. Walden University's approval number for this study is **02-16-12-0252844** and it expires on **February 15, 2013.**

Statement of Consent:

I have read the above information and I agree to participate by signing this form of consent.

X

Participant's Signature

PS: Electronic signatures are regulated by the Uniform Electronic Transactions Act. Legally, an "electronic signature" can be the person's typed name, their email address, or any other identifying marker. An electronic signature is just as valid as a written signature as long as both parties have agreed to conduct the transaction electronically.

Appendix E: Invitation Letter to Potential Participants

You are invited to participate in a research study on Aligning Financial Strategy with Customer Categorization based on Environmental Scanning, which I am conducting. The research is a partial fulfillment of the requirements for the award of a Doctor of Business Administration (DBA) degree by Walden University. I am a doctoral student at Walden University. I am a xxxxx with a xxxxx role in the organizations selected for the research; however, the inquiry is separate from that role. You are eligible to participate in the study because:

- You are an employee of xxxxxx or xxxxxxx.;
- You have been employed for at least 1 year with the organization;
- You are knowledgeable in the practice of environmental scanning, strategy formulation, sales or marketing, or finance; and
- You are at least 18 years old.

Your participation in the project is completely voluntary and subject to your willful consent. If you agree to participate in this study, you would be expected to respond to a 20-minute interview; however, you would need to sign an Informed Consent form prior to your participation. The Informed Consent form contains further information about the envisaged research. Prior to conducting interviews, the researcher will request to verify with your Driver's License that you are at least 18 years old. The interviews will be audio-recorded. The interviews will be transcribed verbatim and provided to you to review for accuracy.

Thanks in anticipation of your response to this invitation.

Sincerely,

Timothy Anyiwe

Appendix F: Selected Direct Quotes from Participants' Responses

Interview Question 1: Explain in detail the process of gathering and using business intelligence data:

> For our business, the data that we are trying to gather are both internal and external. So our internal data are results-based. They are in operations department. So for instance, our derivers, the mileage that our drivers render in a week, what that average miles per truck is, are we above or below what our goal is and set for that measurement. And then, the outside data gathering will be to compare ourselves to other truckload carriers of similar size and scope, and we will want to be able to see where are we on a monthly miles basis compared to them.
>
> The information that we have or gather, I mean we use it to monitor trends.
>
> We make specific inquiries from customers concerning potential lanes and lines of business that they are involved in, also the seasonal nature of their business, we make sure that their products are moving, that we have the resources lined up to be able to handle the products.
>
> So it is incumbent for us to make sure that we have adequate amount of equipment and adequate amount of power to ensure that these items that are being processed, coming out of the field are canned and preserved immediately. We have a number of competitive sources that provide us with information as well.
>
> We are going to look at different areas throughout the nation that, say, have large population of drivers in that area or we will get a bigger city like Chicago. Obviously, there is going to be more drivers there and bigger businesses as well. So there is going to be more freight. We as a company, we will do what we can to essentially get into those markets, and work with customers there, work with drivers and contractors in those bigger cities.
>
> If we have a prospective customer that we identify as someone who wants to do business with us, we will go out and see what their needs are, and focus on how we can improve their bottom line. Our goal is to save them money. So we have to look at particularly their supply chain and figure out how we can save them some money. So in doing that we would look at all aspects of the supply chain to figure out what value-added service we can provide to just save them money and have them come to us to service their business.

> So what happens when you identify new business opportunities, you get to research how that product gets from initial phase, the production phase through the supply chain to that end user, and that is the part that the research you do in this process is very exciting because you see, you get to see things that normal consumers just wouldn't see.

Interview Question 2: Explain in detail the processes of determining viable offerings, markets, revenue potentials, product development funding, and customer-product satisfaction:

> When we are talking about determining viable offerings, one of the areas where we have excelled is in lightweight trailer, which allows our customers to put more products in that same trailer.
>
> Well, that is the process, it all starts with either the customer having an idea and our company moving on it, developing it, researching it or it comes from really anyone in the organization; talking to the president of the company. He will then research the viability, the cost, the revenue, potential increase in revenue, and pull in all the different departments.
>
> Another offering we are beginning to work on is compressed natural gas. CNG (compressed natural gas) helps them in their advertising credits; the advertising that they have gone "green" with their transportation. Again, that's a lot to do with customer satisfaction because it keeps them happy.
>
> We try to gauge the market strength, in other words, how is the national economy doing? But more importantly, how are the customers doing in the industry segments that we are involved, whether that be in retail, automotive, or appliances? Each one of those has its own market identity. We need to make sure that we are in touch with what those markets are doing.
>
> We are going to look at different areas throughout the nation that, say, have large population of drivers in that area or we will get a bigger city like Chicago. Obviously there is going to be more drivers there and bigger businesses as well. So there is going to be more freight. We as a company, we will do what we can to essentially get into those markets, and work with customers there, work with drivers and contractors in those bigger cities.

> So what happens when you identify new business opportunities, you get to research how that product gets from initial phase, the production phase through the supply chain to that end user, and that is the part that the research you do in this process is very exciting because you see, you get to see things that normal consumers just wouldn't see.
>
> We also base it on the market out there. If a truck stop has to do an oil change for X amount, we have to be in that area to compete. If we can't compete, we won't get any customers.
>
> So what I mean by that is we actually look at what it is going to cost us to get into certain markets to determine how we are going to afford to make those capital expenditures, buy new trailers, new trucks, and identify areas where we would be successful.
>
> Again, we are not going to allow anyone to just do that thing; rather they have to meet certain requirements, that way, our customer is serviced properly, that way, their freight is being delivered on time, and that way their freight is being delivered safely.
>
> We look at what it is worth financially in the past, and then we try to narrow or replicate that particular area of business that has been successful financially.
>
> We have to put our money where we are making a good return. We can't put our money where we are losing money in the market.
>
> So all that information that we gather on these applicants, we use that to make a judgment on whether or not they would be able to do the job successfully.

Interview Question 3: Describe the process of identifying and creating new business solutions:

> Some of the other things here, you know there are several innovations that this company has come up with in this industry. So when a contractor or driver sees that they know that this company is not just sitting back and resting on its laurels. We are always looking for ways to improve and better our services. That is something that I want to be a part of. I want to be in that cutting edge and moving forward, not just sitting back and left behind.

We are often approached by customers to try out or experiment new way of doing things because they know that we are upfront with them.

One of the things that our customers are seeking right now and a lot national attention is the conservation of resources, going green on the planet, trying to minimize the impact ecologically, of what trucking does. Because when we burn all sorts of fuel, we naturally create a lot of emissions, and those emissions are seen as being pollutant. We have done several things in order to reduce those pollutions. The first thing we ever did is that we came up with a trailer that hauled more weight. By hauling more weight, there were fewer shipments; with fewer shipments, there is less fuel being burned.

The third thing that we are in the process of doing is we are interested in using trucks that are powered not on Diesel Gasoline, but on compressed natural gas. This is a much cleaner thing for the environment. The customers like it because it offers them some savings, as well as giving them a much more friendly workplace; keeping the air clean as well.

A lot of our developments when it comes to new equipment is in response to our top 25 shippers. For instance, things are happening, when we were hearing in our conferences: "we wish we can haul another 2000 pounds in a trailer; that will save us some million dollars in a year". Then we got thinking why didn't we invent a lightweight trailer where we can put another 2000 pounds in there? We'll be the first ones to do it. That's where our company has been in the fore front in answering our top 25 customers.

Those investments in lighter weight equipment or equipment suits their needs. That's just proof of the relationship, the ability to innovate and invest in the trailers and equipment that they need to get their product to; again, they are on time, picked up and delivered on time without damage of their consignments.

One area that we feel that we have to always continually to improve in is providing a viable value-added service to our customer, whether that be in providing lightweight trailers so that customers can put more products on to save money and lower their stamp on the environment, or sort of different solutions like offering them dedicated services where we collaborate with them.

Some of that is dependent upon what the customers want from us. If we provide them quality service, they will want to come back to us. So that is based on the quality of service, price of parts, price of service, and delivery times. So the customers pretty much dictate to us what they want and we provide it for them.

> We are always looking for ways to improve and better our services. That is something that I want to be a part of. I want to be in that cutting edge and moving forward, not just sitting back and left behind.
>
> We need to set up operations and services that work with new contractors and new drivers compatibly.
>
> It is primarily based on whether they are able to adapt to their current environment. Some very successful companies have become stagnant in the marketplace, and not kept up with high trends or technology. And they find themselves losing market share to their competitors.
>
> The services that we provide and the quality, they are just going to sell it from there. I mean, as long as they do well on the job, the customer is going to be happy, and if he is happy, if we make it right, ultimately the customer will remain happy.

Interview Question 4: Describe in detail the process of determining the funding requirements for your business operations:

> The funding requirement is a very significant, important step in a business process. You need to understand two things really: What is the capital requirement of growing your business; how much is your working capital requirement. You have to look at the capital items like equipment, building; the long-term things that you need to invest in. Finally, you have to look at recruiting people to run your business. Once you have an idea of what the business is projected to be, you then can put the numbers together on working capital and other capital needs. You then look at the requirement for your return on investment, and then you compare that against how much you wished to invest.
>
> To determine this, we would look at what area of your business requires funding the most, because we want to invest primarily on our infrastructure on which we can have sustainable growth.
>
> If we don't fund our infrastructure effectively, then the rest of the operations are not going to work. You have to basically take care of your foundations, figure out what the core key offering is going to be, and then we have to attack it and go forward from there.
>
> Ideally, you will like to be profitable to fund the business.

Our funding requirements beyond being twofold also have to meet another situation in that being a privately-held company, we have to always be concerned about our debt-equity ratio. Our customers determine which customers they want to use, which transportation companies they want to engage based our financial health. So it is important for us that we look good financially to our customers, to our banks, to ourselves in that we are able to provide enough capital so that we continue to operate, hire the drivers that we need to hire, have enough capital left to be able to make acquisitions to repower our fleet with the newest and best equipment available.

So we really don't look at other companies. We are looking at our P&L, our expenses, our freight flow, and at the end of the day, what we want for margin. When it comes to competitive data, when we do our initial bid, we don't look at what the competition is doing. We are solely focused on what we need to make the margin that we are shooting for.

We look at what our cost, real cost in terms of both our transportation line, and the cost of carrying the goods and materials of our customers, running the back room of our business. We have revenue expectation, which generate a return on investment for our ownership that needs to be addressed. That return on investment to our ownership also provides us with the capital necessary to repower our business, buy new equipment, engage in recruiting adventures, and to provide additional sources of revenue to help cover some of the lanes where we are less competitive. Often times that revenue has to be split between the round trips based on total amount of the trips rather than looking at it by individual lanes. Sometimes, back over, we are not as profitable as we were going in there.

The funding requirements, when we are looking at, say the CNG, we went to the manufacturers of the equipment. We asked them how much it will cost for the actual tractor. I, my department did research on maintenance and reliability.

Interview Question 5: How does profitability contribute to the funding of your business operations?

The ability to create a profit, sustain a profit, and retain it within the company as you grow it is actually critical to the live of a private company.

The one thing about the company here, they have shown to be profitable in this industry. You know they have been able to rely primarily on profitability. But you know for a company of this magnitude and size, you know to get things moving forward and to continue to that profitability, loaning money is something that needs to be done from time to time.

> If we are able to be profitable, then there is definitely going to be more opportunity to fund the business essentially. You know there are different types of advertising that are working for us. Contractors and drivers not calling in, not coming on with us in this company, then profitability is going to be down.
>
> So you know, upper management is going to look at us and say okay we don't have the funds to give to you to continue to place these expensive ads or to continue to do some of the online advertising that we are doing. So profitability is directly proportional to what we are able to do.
>
> Definitely, profitability enhances the funding of our business operations because like I said previously, if we are generating revenue from certain sector or area, then we definitely will want to grow in that area.
>
> One other item of interest and an unfortunate part of the business was a huge lay-off that we did have here in personnel this past summer. You know, it is because of the recession we didn't have a period of growth during those two or three years. We lost a lot of our driver base because of that, so we did have the biggest lay-off in our company history of personnel.
>
> It will be nice to have all profitable business, but some revenue is better than no revenue, because our mechanics are actually on the clock. You've got to pay your overhead, and your hourly compensated people. So you have to cover your nugget. Sometimes, you know, we don't take exactly, the beautiful business but it still looks good.

Interview Question 6: Describe the process of determining the finance option for funding different business operations:

> Most of the finance options are determined by the actions that are out there in the marketplace; prominent ones will be the most reasonable factors that affect your business. So you start with your retained earnings and potential additional investments and capital from the owners. You step from there into future potential retained profitability. The third piece of that is what is the scope of the market that is willing to participate in providing capital?
>
> You also look at how strong the financial statement is. You determine based on industry information, who are the players out there and you respond to that. You also consider the most efficient rates.

> Ideally you will like to be profitable to fund the business. But, like everyone says, you got to spend money to make money, like if you don't stock parts, stock tools, stuff and stuff like that, you won't get business. So to start off, you need to borrow money until you start making money and then hopefully you use your own money to keep going forward with the business as far as parts and tools, stuff like that.
>
> But if you have too much debt, people don't want to buy you as far as taking on the company because you have too much debt. So you have to have a reasonable ratio of cash flow to borrowing.
>
> If we are able to be profitable, then there is definitely going to be more opportunity to fund the business essentially. You know there are different types of advertising that are working for us. Contractors and drivers not calling in, not coming on with us in this company, then profitability is going to be down.
>
> So you know, upper management is going to look at us and say okay we don't have the funds to give to you to continue to place these expensive ads or to continue to do some of the online advertising that we are doing. So profitability is directly proportional to what we are able to do.

Interview Question 7: Describe the process of evaluating customer satisfaction for your business:

> Customer satisfaction is very important to business process. That is where we should focus business. The key I have always believed is in having good customer contacts. There should be good conversations with people who purchase the company's services. When you do that, you basically are working with them to provide what their goals are. You also do a fair amount of reporting on how well you are accomplishing those goals. The customers do the same thing with us, as they give us scorecards on our performance. That's the ideal way to look at it. Sometimes also, we find out if we have offended a customer through angry phone calls. If it happens, we do a follow up to find out where our services are different from their expectations, and we spend a tremendous amount of time to understand truly their expectations in order to adjust our serviced provision.
>
> A couple of things that are different with the company that I work for are the longevity. Longevity: that definitely says something that we as a company are doing something right to keep these contractors and drivers happy.
>
> Primarily, we have our customers score us on score cards as far as customer satisfaction in areas of on time performance, customer complaints, EDI

compliance (electronic data interchange), how the customer gets the information to us to help us provide transportation service to them. We take these score cards and look at them on daily, weekly and monthly basis, and see whether we are in line, whether we are exceeding their expectations, and then we can have normally quarterly meetings to focus on improving areas that we are not performing up to their standards and threshold.

I meet with our customer base on quarterly basis to sit with them and have a personal face, sit there and ask them important question about how our relationship is going, if there is anything we can do to improve our service for the particular organization.

If they are not happy, they are going to call. Generally, if they are happy and you don't hear from them, they will come back. But if they are not happy, they are going to call and let you know.

Other areas that we would focus on is asking them what market they see that we can potentially be of an asset to them and also what else do they require from their vendors as far as service. Do they want a 100% service, 98.5 or we have to have a goal that we feel is attainable; otherwise, we won't be successful in serving that customer.

Interview Question 8: Explain how you adapt your business to the prevailing market needs and conditions:

It is a combination of things. Success often in business is for the least cost provider. You need to always be in tune with what's available in the market, what are the main actions, how can you provide the service at the least cost and at a high level of performance? So you learn a lot of that in trade association. You learn a lot from the customer and by looking at the competitors. You come out with what they think is the best solution to their problem. As you achieve efficient operation, it leads to profitability.

It is primarily based on whether they are able to adapt to their current environment. Some very successful companies have become stagnant in the marketplace, and not kept up with high trends or technology. And they find themselves losing market share to their competitors.

So what we like to do is we add staff, change hours, we have mobile services in markets to adapt to the needs of those customers.

I think one of the biggest keys we have is you have to look at the market which you are dealing with, the surroundings from region to region, what the competition is doing, what is their labor rate?

We also base it on the market out there. If a truck stop has to do an oil change for X amount, we have to be in that area to compete. If we can't compete, we won't get any customers.

Some of that is dependent upon what the customers want from us. If we provide them quality service, they will want to come back to us. So that is based on the quality of service, price of parts, price of service, and delivery times. So the customers pretty much dictate to us what they want and we provide it for them.

That also depends on where we are located. Different shops in different regions, they see different people. Different people have different needs. As far as, like up here there is a lot of people that do road side services. Down in Texas, there is no much road services business. So if you go after customers in that area, you can offer road side assistance as off-site service. Service potentials are different in each region as far as what we can offer. You can pretty much break it down by your regions in an area what you can offer to appeal to customers.

So guys that do make a switch over to this company, they have that security for a time in the industry when a lot of things are changing. There are a lot of smaller companies that are going out of business, not being able to keep up with the changes. We here at this company are, we have been through a lot. We have seen it all. So that is definitely one main competitive edge.

Short haul has been an area that a lot of trucking companies have gone to over the last three or four years primarily because a lot of the distribution centers have moved to these regionalized market to be able to save on transportation cost.

Interview Question 9: Describe the basis for your organization's competitive edge in the marketplace.

We are always looking for what can give us an edge. Part of that is keeping close contact with our customers. We understand and react to what they are looking for. Another part is good innovation. We have the best-adapted equipment that will meet their needs. That always puts you ahead of other competitors. It meets the space requirements. In our case, we provided mobile containers, the largest equipment you have in the world. That saves our customers money because they can move more freight in the same container. If you have heavy products in terms of large tonnage, what we have been able to do is scale down the weight of our equipment. So we have customers carrying more freight load, again, given the benefit of additional efficiencies.

The thing that we differentiate ourselves from our competitors is that we feel we can provide customer experience. What I mean by customer experience is that if we can’t be there or if our truck driver cannot be scheduled on time, we will notify the customers ahead of time, before they notify us and ask about their truck load. That is one of the grey areas that customers like their carriers to provide for them.

Unfortunately, a lot of carriers have become so big that they are insensitive to some service requirements of their customers. We never lose sight of that value to customers. We offer that experience that is cutting edge in the competition. That is where we pride ourselves; we provide customer service that is always above expectations.

I say the biggest thing is discounted labor rate. As long as you have discounted labor rate, you are going to beat the competition. The services that we provide and the quality, they are just going to sell it from there. I mean, as long as they do well on the job, the customer is going to be happy, and if he is happy, if we make it right, ultimately the customer will remain happy.

So we need to evaluate if we are losing productive time on lower paying jobs, having to pass off, you know not be able to accept the jobs, it could be higher pain.

One of the other market needs and conditions that I have seen over the years is that a lot of things in this industry, over-the-road guys staying out two to three weeks at a time, you know thousand miles load; those aren’t prevalent in the industry anymore, those are going away. There is a lot more focus on short haul and regional freight. There are guys that want to be home with their family more frequently these days now. They don’t want to stay out for two to three weeks same time, so we as a company, we recognize that. We need to set up operations and services that work with new contractors and new drivers compatibly.

We need to make sure that what is paid to these drivers is competitive; that is very important. If that is not there, they will look elsewhere for it everybody wants to be compensated properly for their time and what they do.

As long as you are being honest with them and straightforward, that is the best path. Honesty is the best policy.

So we as recruiters in the department that I manage, we make sure that we are accurately portraying to these contractors and drivers what they can expect when they come to our company.

You know when it comes to contractor appreciation day, customer appreciation day, in my opinion, things like that do go a long way because throughout the regular course of business during the year, you know that stuff gets pushed aside, it gets forgotten because everybody gets too busy working. So you do need to do, in my opinion, you need to do things like that to maintain that relationship, to let the customer know that they are more than just a customer and you value what they do, and what they do is important in making everything work.

What we have been doing lately, is that we have monthly specials. Each month is a different special, such as free battery charge, free alignment, stuff like that.

So what I like to try to do is tailor my sales trips to promise only what we are capable of doing, and to assure the value of our services, through that more tailored type of approach to the customer.

We also are trained and train our managers to build a personal relationship with that customer, and the one word "communication", that is also the key because these guys are without their equipment, they are wondering when they are going to get them back. They have to pay rents and other customers. So what we try to do is keep our customers informed on ongoing basis, and update them with any changes.

Appendix G: Emerging Themes in the Contexts of Research Settings

Theme	Retail Business 1	Retail Business 2
Environmental scanning, financial strategy, and customer categorization processes elevate the efficacy of planning.	Promotes the planning of trucking and logistic operations in a way that aligns financial strategy with customer categorization.	Underlies the planning of heavy equipment repairs and maintenance, as means of aligning financial strategy with customer categorization.
An environmental scanning that supports the alignment of financial strategy with customer categorization moderates the buying power of customers.	Makes customer satisfaction the centerpiece for hauling freight by ensuring alignment of financial strategy with customer categorization.	Enables managers to focus on providing high quality vehicle repairs for customers by unifying financial strategy with customer categorization
Efficient use of environmental scanning information assures business viability.	The quest for viability of trucking operations necessitates the gathering of environmental information that supports the compatibility of financial strategy with customer categorization.	The need to achieve profitability from service offerings, pricing, and location of repair facilities creates a desire to use environmental scanning information to harmonize financial strategy with customer categorization.
Environmental scanning is a catalyst for continuous improvement and revision of business practice and process.	Environmental trends and factors inform constant review and enhancement of approaches to hauling freight, ensuring that financial strategy aligns with customer categorization.	Scanning the environment is insightful in determining plausible operational processes for providing vehicle repair services, which requires consistency between financial strategy and customer categorization.

The criteria for making funding decisions underlie the use of environmental scanning to align financial strategy with customer categorization.	Environmental scanning illuminates the process of funding trucking and logistic operations by ensuring the alignment of financial strategy with customer categorization.	The company relies on environmental scanning to determine availability of funds for repair and maintenance services, which fosters consistency between financial strategy and customer categorization.
Predicating business strategy and profitability on environmental scanning shapes the alignment of financial strategy with customer categorization.	Critical intelligence from environmental scanning enables the organization to achieve sustainable competitive advantage in its trucking operations, by ensuring that financial strategy and customer categorization are in synch.	Environmental scanning generates insights into vital trends and factors that ensure competitive edge in repair business and a platform for harmonizing financial strategy with customer categorization.
Environmental scanning, financial strategy, and customer categorization are weapons for combating adverse changes and uncertainties in the environment.	Environmental scanning-informed alignment between financial strategy and customer categorization enables trucking business to thrive in a turbulent and erratic environment.	The information from environmental scanning underlies the formulation of financial strategy that complements customer categorization in ensuring that repair services survive the complexity of the environment.
Environmental scanning-informed viable social change and corporate social responsibility initiatives shape the alignment of financial strategy with customer categorization.	Environmental scanning generates information on viable social change initiatives that elevates the family life of truck drivers and society, which becomes a basis for aligning financial strategy with customer categorization.	The principles of honesty and fair compensation predicated on environmental intelligence enhance the efficacy of harmonizing financial strategy with customer categorization, as a foundation for fulfilling customers' equipment repair needs.

Environmental scanning and a financial strategy that is compatible with customer categorization facilitate adaptation to the market.	Market intelligence informs the assessment of trucking and logistics market conditions and factors by incorporating a financial strategy that is consistent with customer categorization.	Insights from environmental scanning accelerate the orientation of repair services to the prevailing needs of the market by facilitating compatibility between financial strategy and customer categorization.

Curriculum Vitae

Timothy Osita Anyiwe

tanyiwe@yahoo.com

EDUCATION

Walden University, Minneapolis, MN, USA
Doctor of Business Administration (Self Designed)
June 2012

Delta State University, Nigeria,
Master of Business Administration (Management)
January 2001

PROFESSIONAL CERTIFICATION

Minnesota Board of Accountancy, St. Paul, MN, USA
Certified Public Accountant (Inactive)
May 2003

Institute of Chartered Accountants of Nigeria,
Fellow, Chartered Accountant
October 1999

PROFESSIONAL EXPERIENCE

- Advantage Management Corporation, Inc., Eagan, MN, USA
  (2006-Present) - Finance and Accounting

- FCA Construction, LLC., Eden Prairie, MN, USA
  (2003-2006) - Finance and Accounting

- Military Communications Center, Inc., Minnetonka, MN, USA
  (2001-2003) – Finance and Accounting

- KPMG Consulting, Lagos, Nigeria
  (1991-2000) – Management Consulting