

Continuous Strategy and Risk Analysis in Jardine, Matheson & Company – Adapting to Uncertainty

By Carol Matheson Connell

Abstract: In a world in which strategic choices are fallible conjectures, Edith Penrose distinguished between resources and services precisely in order to produce an analysis in which the relevant uses of resources were problematic; resources themselves are created partly by a continuous process in the course of business, and partly by deliberate action guided by some conception - a scenario rather than a forecast - of what might be achieved. A comparison is made with the early strategy-structure-performance paradigm and Porter's five forces model, which focus on the competitive landscape, and the evolutionary economics of Nelson and Winter, which focuses on internal capabilities and routines of firms and to which adaptation, new competence creation and learning are crucial elements of strategic management. The analysis of strategic management in Jardine, Matheson & Company demonstrates an ongoing process for decision-making and risk analysis that assumes fallible conjecture, multiple views and outcomes with high uncertainty. This analyst found the extra-logical and fallible dimension crucial to an attempt to interpret the history of any company as a consequence of its strategy.