Historiographical Analysis

Chapter 25
Ch25. Historiographical Analysis

- Short Description
- Background
- Strategic Rationale & Implications
- Strengths & Advantages
- Weaknesses & Limitations
- Process for Applying Technique
- Case Study: Australian Menswear Retailer
- FAROUT
Short Description

- Historiographical analysis applies a common research methodology used in history studies to strategy analysis.
- It attempts to understand strategic issues relative to their origins and evolution in order to more clearly understand the present.
Background

• Origins in 19th Century
• Articulated to address two issues (Iggers, 1987):
  – The actual process of historical writing; and
  – Methodological and theoretical issues related to this process.
• Historiographers are conscious of the ‘Four Cs’: context, causes, continuity, and change (Rampolla, 2001).
• 1960s Alfred duPont Chandler was one of the first economic historians to apply historiography to the study of strategic management.
• Since then, advances in historiography to the field of strategic management have been erratic.
Strategic Rationale and Implications

• The primary purpose for using historiographical methods for is to build business theories that revisit the past in order to explain current strategic issues.

• Goodman and Kruger (1988): Areas where historiographical analysis is helpful:
  • Research question development.
  • Variable selection and evaluation.
  • Theory construction.
  • Hypothesis generation.
  • Formulation of conclusions.
Strengths and Advantages

- Diversity of sources.
- Asks new questions or approaches old questions in different ways.
- Examines the relationship between contexts, causes, continuity, and changes.
- Analytical development and decision making are improved by principles of:
  - Strategic challenge
  - Skepticism
Weaknesses and Limitations

- Lack of objectivity.
- Can suffer from ‘prior hypothesis bias’.
- Validity is dependent on one’s view of history.
  - Linear
  - Circular
  - Chaos
- Technique may lack structure.
- Problematic if the analyst uses the conclusions to predict the future rather than to better understand the current position.
Ch25. Historiographical Analysis

Process for Applying the Technique

- **Step 1** - Develop a general proposition
  - Examples of general propositions:
    - Underlying factors responsible for the prevalence of alliances in a particular industry.
    - Specific reasons for the industry leader’s success with a particular type of technological platform.
Process for Applying the Technique

- **Step 2** – Collect primary information
  - Primary sources include: (first draft of history)
    - Eyewitness accounts
    - Accounts from people close to the issue
    - Published speeches
    - Experiments
    - surveys
    - original photographic records
  - Often the most valuable source of information.
Process for Applying the Technique

**Step 3:** Collect secondary information

- Typical sources of information include: (second draft of history
  - Newspapers
  - The internet
  - Magazines
  - Corporate publications
  - Annual & analyst reports
  - Trade publications
  - Academic cases

- Important to remain objective.
Process for Applying the Technique

Step 4: Select the best sources for the third draft
- Select those sources that best address the general proposition.
- Sources then represent the raw material for the ‘third draft of history’.
- Analyze to find common threads amidst mass of data.
- Threads are then woven into a theoretical tapestry that supports the original proposition.
Ch25. Historiographical Analysis

Process for Applying the Technique

• The Historiographical Process:

Step 1: Develop a General Proposition

Step 2: Gather & Use Primary Sources (Eyewitness Accounts, Observation)

Step 3: Relate Secondary Sources (Corporate Reports, Analyst Reports, Media Coverage, Trade Publications)

Step 4: Cross-Reference (For accuracy & consistency)

Step 5: Analyze valid sources in order to accurately determine evolution of phenomena
Ch25. Historiographical Analysis

Process for Applying the Technique

- **Step 5:** Reporting
  - Historiographical analysis is inductive.
  - Will gain richer appreciation of the present conditions and strategic issue.
  - Should be continuous because history is continuous.
  - Read from as many different sources as possible.
Case Study: Australian Menswear Retailer

- Gowing Brothers had been a prominent competitor in the Sydney menswear market since 1868.
- Researchers employed historiographical analysis to answer the question, ‘What leads to retail success over extended time periods?’
- 3 CSFs were identified for the industry:
  2. Distinct periods of expansion or modernization.
  3. Capabilities allowing excellent operational management of the retail mix.
Case Study: Australian Menswear Retailer

- The researchers analyzed primary and secondary sources and subsequently created a timeline:

  - **1907**: First full page ad makes Gowings a rapid follower
  - **1908**: Catalogue Launch
  - **1907**: Gowings established in Sydney
  - **1929**: Opens the site which remains the only outlet until 1996
  - **1930-33**: Depression — decisions to promote and economize
  - **1938**: Open display counters move towards self serve strategy
  - **1939-45**: WWII sees profits increase
  - **1949-52**: Modernization of product line and merchandising
  - **1950s**: Expands into financial rather than retail investments
  - **1974**: Move to less labour intensive cash & wrap system
  - **1989-92**: Modernization of product line and merchandising
  - **1992**: Brings back catalogue after 52 year absence
  - **1996**: Opens two new stores in Sydney
Case Study: Australian Menswear Retailer

- Each of these decisions were put into a historical context relative to what rivals were doing in the same timeframe.
- They were then used to assess critical success factors.
- After evaluating the fit with the framework, the researchers came to the following conclusion:
  - Flexibility as opposed to constancy of market positioning was determined to be a moderate CSF (CSF 1);
  - Expansion and modernization were determined to be a strong CSF (CSF 2); and
  - Operational management was determined to be a medium to strong CSF (CSF 3).
Case Study: Australian Menswear Retailer

- Framework was found to have a close but not perfect fit to Gowings’ experience.
- The study highlighted the significance of a clearly defined market position and the ability to respond to dynamic market conditions.
- Organizational capabilities related to good relationships with customers, staff and vendors were also identified.
- CSFs specific to retail categories were identified as several unique capabilities.

## Ch25. Historiographical Analysis

- **FAROUT Summary**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Related Tools and Techniques

- Blindspot Analysis
- Critical Success Factor Analysis
- Industry Analysis
- Issue Analysis
- Stakeholder Analysis
- STEEP Analysis
- Strategic Group Analysis
Ch25. Historiographical Analysis

For More About Historiographical Analysis and 23 Other Useful Analysis Methods, see:

Fleisher, Craig S. and Babette E. Bensoussan

*Business and Competitive Analysis: Effective Application of New and Classic Methods*

FT Press
FINANCIAL TIMES
Upper Saddle River, NJ
2007