

CAPTURE, GOVERNANCE, AND RESILIENCE: STRATEGY IMPLICATIONS FROM THE HISTORY OF ROME

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Organizational resilience is a subject of great interest to management and strategy scholars. Drawing on over 1,000 years of historical data on the Republic of Rome, and focusing primarily on the period of its establishment (509 BC–338 BC), we identify two generic strategies, capture and governance, that together are essential for organizational resilience. Capture strategy relates to market expansions, while governance strategy refers to the capacity of an organization to assimilate, retain, defend, and increase its dominance within annexed markets. The history of Rome also reveals four supporting tactics—saving power, maintaining a stronghold base, isolating and weakening adversaries, and creating forward outposts—that shore up and reinforce the capture and governance strategies, to create a more enduring and resilient enterprise. Interestingly, a system-wide view of the strategy-tactic framework also offers insights on resilience through smallness, thus illustrating its conceptual utility to organizations of all sizes including small enterprises. Copyright © 2010 John Wiley & Sons, Ltd.

INTRODUCTION

What strategies are primarily related to organizational resilience; and what tactics are indispensable when organizations strive to enhance their resilience and prolong their existence? These and similar questions regarding the architecture of long-lasting organizations are vexing research topics in the field of strategic management. A plethora of insightful frameworks (e.g., the structure-conduct-performance paradigm, Porter's generic strategies and the five forces framework, resource-based view, dynamic capabilities, and core competencies, among others) do help, but the survival rate of businesses remains low; for every 10 small

businesses, seven survive their first year and only two remain in operation after five years (Klein, 2002). These statistics are consistent with research showing that 50 to 70 percent of all new firms disband within their first five years, over 80 percent disperse in the first decade of their existence, and many firms survive but do not thrive (Aldrich, 1999; Morris, 2009).

Interestingly, despite keen attention to this high disbandment rate, the literature has yet to offer a coherent, *system theory* that would tie generic strategies and specific tactics to organizational longevity (Birkinshaw, Hamel, and Mol, 2008; Burgelman and Grove, 2007). Understanding why some organizations are more resilient and capable of prolonged existence than others is an important subject of inquiry because the costs of disbandment can be staggering. Ecologists contend that organizations cannot fully avoid decline, but it is the thesis of this study that lessons from the history of nations can expand the vistas on organizational

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