# Strategy Under Constraint: The DAEL Cycle for Learning-Oriented Execution

**Jesigen Lunag**

## Abstract

Organizations frequently possess strategic plans but lack a reliable mechanism for converting analysis into coordinated action and corrective learning. The difficulty is especially pronounced in resource-constrained organizations, where a small leadership group, limited information systems, and competing operational demands can separate planning from execution. This conceptual article develops the Diagnose-Align-Execute-Learn (DAEL) framework by integrating established ideas from industry analysis, the resource-based view, mission and objective alignment, strategy implementation, the balanced scorecard, strategic control, and contingency planning. The source instructional manuscript, Fundamentals of Strategic Management: An Introductory Course, supplied the initial process architecture; canonical strategy literature was used to refine its theoretical logic. DAEL treats strategy as a closed management cycle rather than a periodic planning document. Diagnosis tests external conditions and internal capabilities. Alignment converts strategic intent into a limited portfolio of objectives and resource commitments. Execution assigns ownership, milestones, decision rights, and operating routines. Learning compares results with assumptions, activates corrective or contingent action, and renews the next diagnosis. Two design features distinguish the framework: explicit handoff gates between stages and a traceability chain linking every initiative to an objective, indicator, owner, and review decision. The article explains the framework, identifies predictable breakdowns, and proposes a minimum viable governance system suitable for small firms, cooperatives, educational institutions, local public organizations, and nonprofits. DAEL is offered as a testable conceptual model, not as evidence of performance effects.

**Keywords:** strategic management; strategy implementation; adaptive execution; balanced scorecard; resource-based view; organizational learning

## Introduction

A strategic plan can be analytically impressive and operationally inert. Environmental assessments, mission statements, objectives, and performance indicators often exist in separate documents, prepared by different people and reviewed at different times. The result is a familiar implementation gap: leaders approve a direction, operating units continue their established routines, and evaluation arrives too late to change either assumptions or resource commitments. Strategy then becomes an annual event rather than an operating discipline.

The problem is not solved by adding more planning tools. Competitive analysis clarifies industry pressures (Porter, 1980), while the resource-based view directs attention to valuable and difficult-to-copy capabilities (Barney, 1991). These lenses improve diagnosis, but neither guarantees that priorities will receive budgets, ownership, or sustained managerial attention. Hrebiniak (2006) identifies

implementation as a difficult managerial domain involving coordination, change, power, responsibility, and control. Porter (1996) also distinguishes strategy from operational effectiveness: doing current activities better cannot substitute for choosing and maintaining a coherent position.

Measurement alone is equally insufficient. Kaplan and Norton (1992) designed the balanced scorecard to extend performance attention beyond financial outcomes to customers, internal processes, and learning and growth. Yet a scorecard can degenerate into a reporting catalogue when indicators are not linked to strategic choices and review decisions. Likewise, contingency plans are useful only when triggers, responsibilities, and authorized responses are specified before disruption occurs. The common weakness is discontinuity between analysis, commitment, action, and learning.

The source textbook, Fundamentals of Strategic Management: An Introductory Course (2023), presents strategic management through formulation, implementation, and evaluation and covers external assessment, internal assessment, vision and mission, VMGOSA, strategic leadership, balanced scorecards, strategic control, and contingency planning. Its instructional breadth is valuable, but a textbook sequence is not itself a journal contribution. This article reorganizes those elements into a focused conceptual framework designed around stage-to-stage handoffs. It does not report organizational data or claim that the framework has already improved performance.

## Purpose of the Article

This article has three objectives: (a) to explain why strategic-management tools often fail when used as disconnected exercises; (b) to develop an integrated Diagnose-Align-Execute-Learn framework with explicit deliverables and decision gates; and (c) to specify a minimum viable governance system that resource-constrained organizations can operate without a specialized strategy office. The guiding question is: What process architecture can preserve strategic coherence from initial diagnosis through execution and adaptive renewal?

## Conceptual Approach

### Design and Source Base

The article uses integrative conceptual synthesis. The instructional manuscript provided the broad sequence of strategic-management activities. Established works were selected to clarify four theoretical functions: industry and positioning analysis, internal resource analysis, implementation and control, and organizational adaptation. The resulting framework is normative: it specifies how a coherent strategy process should be organized. It is not a systematic review, a statistical model, or an empirical validation study.

The unit of analysis is the organization's strategy-management process rather than a particular industry or legal form. Resource-constrained organizations are defined here as entities with limited managerial attention, analytical capacity, discretionary funds, or specialized staff relative to the complexity of their goals. The category can include small and medium enterprises, cooperatives, schools, local public units, and nonprofits. Their missions differ, but they share a need to prioritize rigorously and to keep governance routines proportionate to available capacity.

### Framework Design Principles

DAEL is built on five principles. First, strategy is a set of choices and exclusions, not a collection of desirable activities. Second, external opportunity has value only when matched with usable capability and an acceptable risk position. Third, every strategic objective must be traceable to initiatives, resources, ownership, indicators, and a review decision. Fourth, monitoring must test assumptions as well as outcomes. Fifth, adaptation should follow pre-agreed thresholds and decision rights so that learning produces action rather than additional reports.

These principles connect relatively stable commitments with the capacity to change. The resource-based view explains why heterogeneous resources can support sustained advantage (Barney, 1991), while dynamic-capabilities theory emphasizes the ability to integrate, build, and reconfigure competences as environments change (Teece et al., 1997). DAEL combines the two: alignment protects scarce resources from dilution, and learning provides a disciplined route for reconfiguration.

## The DAEL Framework

### Stage 1: Diagnose

Diagnosis asks two connected questions: What is changing outside the organization, and what can the organization credibly do about it? External analysis should identify a small set of material forces rather than reproduce an encyclopedic list. Industry structure, customer demand, regulation, technology, labor conditions, financing, suppliers, and substitutes are relevant when they can alter strategic outcomes. Porter’s five-forces model is useful for industry-level pressure, but it should be supplemented when public mandates, social value, or nonmarket stakeholders shape the operating environment.

Internal analysis examines resources, routines, culture, information, leadership capacity, and financial resilience. Barney's (1991) logic—value, rarity, imperfect imitability, and substitutability—helps distinguish strategic capabilities from ordinary assets. A resource inventory is not enough. Managers must ask whether a resource is deployable, whether complementary processes exist, and whether the organization can protect or renew it. Diagnosis ends with a concise strategic issue register: each issue states the external change, affected objective, relevant capability, uncertainty, and decision deadline.

### Stage 2: Align

Alignment converts diagnosis into a coherent commitment system. Vision describes the desired future condition; mission defines purpose and constituency; goals express broad results; objectives establish measurable achievements; strategies specify the chosen approach; and actions convert the approach into work. This resembles the VMGOSA sequence in the source manuscript, but DAEL adds two tests. The coherence test asks whether objectives and initiatives support the same strategic logic. The capacity test asks whether the organization can fund, staff, and govern the portfolio concurrently.

Alignment is therefore an exercise in exclusion. Leaders should approve only a small number of strategic objectives and should explicitly identify activities to stop, defer, or maintain at a basic level. Each objective requires a causal statement: if the organization undertakes specified initiatives and strengthens named capabilities, then a

defined stakeholder or performance outcome should change. This statement exposes weak logic before resources are committed. It also preserves strategy as choice rather than allowing every department to relabel routine work as strategic.

### Stage 3: Execute

Execution turns the approved portfolio into coordinated commitments. Each initiative needs one accountable owner, participating units, milestones, resources, risks, and escalation rules. Accountability should not be distributed so broadly that no one can make trade-offs. At the same time, ownership does not mean solitary control; cross-functional initiatives require clear decision rights and a forum for resolving dependencies. Hrebiniak (2006) emphasizes that implementation involves coordination, incentives, change management, and control—not simply communication of a plan.

The execution rhythm should be light but regular. A monthly operating review can focus on milestones, constraints, and immediate decisions; a quarterly strategic review can examine indicators, assumptions, resource shifts, and portfolio continuation. Strategy and operations should be connected but not confused. Operational reviews ask whether work is being performed reliably. Strategic reviews ask whether the chosen work remains capable of producing the intended result.

### Stage 4: Learn

Learning closes the cycle by comparing outcomes with both targets and assumptions. A variance may reflect weak execution, an incorrect causal hypothesis, an environmental change, or a poorly chosen indicator. Corrective action therefore begins with diagnosis, not automatic pressure to meet the original target. Simons (1995) distinguishes diagnostic controls that track critical performance variables from interactive controls that focus senior attention on strategic uncertainty. DAEL requires both.

The balanced scorecard supports this stage when its perspectives are connected through strategic logic rather than used as a generic checklist. Financial or stewardship outcomes are lagging results. Customer or beneficiary measures indicate received value. Internal-process measures show the performance of activities that create that value. Learning-and-growth measures track the capabilities needed to sustain the processes (Kaplan & Norton, 1992). Resource-constrained organizations should use the fewest indicators capable of testing this chain.

Learning also includes contingency action. Each critical assumption should have an early-warning indicator, a trigger threshold, an authorized response, and a review date. A contingency is not merely a list of possible crises. It is a predesigned decision path that preserves response time while conditions are uncertain. After corrective or contingent action, the organization returns to diagnosis with updated evidence. The cycle is therefore recursive rather than annual.

## Table 1

*Decision architecture of the DAEL framework*

| Stage | Core question | Required output | Handoff gate |
|---|---|---|---|
| **Diagnose** | What changed, and which capabilities or constraints matter? | Strategic issue register; assumptions; capability and risk assessment | Issue is material, time-bound, and supported by evidence |

| Stage | Core question | Required output | Handoff gate |
|---|---|---|---|
| **Align** | Which outcomes and approaches deserve scarce resources? | Limited objectives; causal logic; initiative portfolio; stop/defer list | Portfolio is coherent, affordable, and explicitly prioritized |
| **Execute** | Who will do what, by when, with which authority and resources? | Owners; milestones; budget; dependencies; escalation rules | Every initiative has accountable ownership and operating capacity |
| **Learn** | What do results reveal about execution and strategic assumptions? | Scorecard; variance diagnosis; corrective action; contingency decision | Evidence produces a continue, adapt, pause, or stop decision |

*Note. A handoff gate is a decision condition, not an additional approval layer. Small organizations may assign several roles to the same person, but the questions and outputs remain distinct.*

## Minimum Viable Strategy Governance

### The Traceability Chain

The central control in DAEL is a traceability chain: issue to objective, objective to initiative, initiative to owner and resource, initiative to indicator, and indicator to review decision. A one-page strategy register can carry these fields. Traceability prevents orphan initiatives that consume resources without advancing an objective and decorative indicators that are measured without affecting a decision. It also makes strategy auditable without requiring a large planning office.

An indicator belongs in the register only if a manager can answer three questions: What strategic assumption or result does it test? Who owns the response? What decision may change when the indicator crosses its threshold? If no decision is affected, the measure is informational rather than strategic and should generally remain in operational reporting. This filter protects scarce attention.

### Review Cadence and Decision Rights

DAEL separates cadence from bureaucracy. A monthly review may require only an updated register and a short decision log. A quarterly review should revisit the causal logic, not merely aggregate monthly status. Annual planning remains useful for budgeting and mandate cycles, but it should consolidate decisions already informed by continuous review. Unexpected events can activate an off-cycle review when a trigger is reached.

Decision rights should identify who can approve scope changes, shift resources, accept risk, pause work, or terminate an initiative. Without these rights, teams report problems repeatedly while waiting for permission to act. With unlimited discretion, however, local adaptation can fragment the strategy. The review forum balances the two by authorizing change within defined thresholds and escalating decisions that alter strategic intent.

## Table 2

*Predictable breakdowns and DAEL repair mechanisms*

| Breakdown | Early signal | DAEL repair |
|---|---|---|
| **Tool accumulation** | Many matrices and indicators; few explicit choices | Require a strategic issue and decision for every tool |
| **Unfunded ambition** | Objectives exceed available people, time, or cash | Apply the capacity test and approve a stop/defer list |

| Breakdown | Early signal | DAEL repair |
|---|---|---|
| **Diffuse accountability** | Progress is reported by committees without a decision owner | Assign one accountable owner and explicit escalation rights |
| **Target fixation** | Teams defend a target after its assumptions have failed | Diagnose variance and test the causal hypothesis before correction |
| **Late reaction** | Risks are discussed only after performance deteriorates | Define early-warning indicators, triggers, and contingent responses |

## Discussion

### Integration Rather Than Additional Planning

DAEL's contribution is architectural. Its individual elements are established; the framework specifies how they should hand off to one another. Diagnosis without alignment produces analysis without commitment. Alignment without execution produces aspiration without ownership. Execution without learning produces activity without adaptation. Learning without renewed diagnosis produces local correction without strategic reconsideration. The value of the cycle lies in continuity and traceability, not novelty of terminology.

The framework also addresses the tension between deliberate and emergent strategy. Mintzberg (1994) criticized planning systems that equate formal analysis with strategic thinking. DAEL preserves deliberate choice through objectives and resource commitments but treats assumptions as testable. Unexpected information can trigger adaptation through the learning stage. Emergence is therefore recognized without allowing every operational adjustment to redefine strategy.

### Application in Resource-Constrained Organizations

Resource constraints make prioritization more important, not less. A small organization should not imitate the committee structure or reporting volume of a large corporation. It can operate DAEL with four artifacts: a strategic issue register, a one-page objective and initiative portfolio, a short scorecard, and a decision log. The same leadership team may perform several roles, but it should still separate the questions of diagnosis, commitment, execution, and learning.

Mission-driven organizations may replace profit measures with stewardship, service, educational, community, or public-value outcomes. The causal structure remains: resources and capabilities support processes; processes create value for customers or beneficiaries; outcomes advance mission. Bryson (2018) emphasizes that public and nonprofit strategy must attend to mandates, stakeholders, and public value. DAEL accommodates these factors in diagnosis and alignment rather than imposing a purely commercial objective.

The framework can also support transparency. Because each initiative has a rationale, owner, resource commitment, indicator, and decision history, governing boards can examine whether management is preserving strategic coherence. The record is concise enough for practical use and specific enough to distinguish genuine adaptation from unexplained drift.

### Scope and Research Agenda

DAEL is a conceptual model and should be evaluated rather than accepted on appearance. Its constructs can be operationalized through measures of strategic

traceability, portfolio concentration, ownership clarity, review timeliness, assumption testing, and corrective-action closure. Comparative case studies could examine how the cycle operates in small firms, cooperatives, schools, local governments, and nonprofits. Longitudinal research could test whether stronger handoff quality predicts implementation consistency or adaptive speed.

Future research should also identify boundary conditions. Highly regulated environments may limit local adaptation; crisis settings may compress the cycle; volunteer organizations may require different accountability mechanisms; and rapidly growing firms may need more frequent reallocation. These questions do not weaken the framework's practical logic, but they determine where particular governance routines are appropriate.

## Conclusion

Strategic management fails when analysis, commitment, action, and evaluation become separate administrative exercises. The Diagnose-Align-Execute-Learn framework reconnects them through explicit deliverables, handoff gates, and a traceability chain. Diagnosis links external change with internal capability. Alignment converts intent into a feasible portfolio. Execution assigns resources, ownership, milestones, and decision rights. Learning tests outcomes and assumptions, activates corrective or contingent action, and renews the next diagnosis.

For resource-constrained organizations, the framework's practical advantage is proportionality. It does not require a strategy office or an extensive software platform. It requires disciplined choice, a small set of linked records, regular decisions, and the willingness to stop or adapt work when evidence changes. A strategic plan then becomes more than a document: it becomes a managed cycle of commitment and learning.

## References


Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of Management, 17(1), 99-120. https://doi.org/10.1177/014920639101700108

Bryson, J. M. (2018). Strategic planning for public and nonprofit organizations: A guide to strengthening and sustaining organizational achievement (5th ed.). Jossey-Bass.

David, F. R., & David, F. R. (2017). Strategic management: A competitive advantage approach, concepts and cases (16th ed.). Pearson.

Fundamentals of strategic management: An introductory course. (2023). Unpublished instructional manuscript.

Hrebiniak, L. G. (2006). Obstacles to effective strategy implementation. Organizational Dynamics, 35(1), 12-31. https://doi.org/10.1016/j.orgdyn.2005.12.001

Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard-Measures that drive performance. Harvard Business Review, 70(1), 71-79.

Kaplan, R. S., & Norton, D. P. (1996). The balanced scorecard: Translating strategy into action. Harvard Business School Press.

Mintzberg, H. (1994). The rise and fall of strategic planning. Free Press.

Porter, M. E. (1980). Competitive strategy: Techniques for analyzing industries and competitors. Free Press.

Porter, M. E. (1996). What is strategy? Harvard Business Review, 74(6), 61-78.

Rumelt, R. P. (2011). Good strategy/bad strategy: The difference and why it matters. Crown Business.

Simons, R. (1995). Levers of control: How managers use innovative control systems to drive strategic renewal. Harvard Business School Press.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. Strategic Management Journal, 18(7), 509-533. https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z