

# **Unit 32: Business Strategy**

**Unit code** K/508/0574

**Unit level** 5

**Credit value** 15

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## **Introduction**

The aim of this unit is to develop students' awareness of the different kinds of strategy which could be used in an operational, tactical or strategic role for an organisation. This will be underpinned by a thorough knowledge and understanding of the theories, models and concepts which could significantly support an organisation's strategic choice and direction.

On successful completion of this unit students will have developed sufficient knowledge and understanding of strategy to make a positive, efficient and effective contribution to the development of business plans and operational direction. This could be in the role of a junior manager responsible for having a specific input into an organisation's decision-making and planning.

## **Learning Outcomes**

By the end of this unit a student will be able to:

- 1 Analyse the impact and influence which the macro environment has on an organisation and its business strategies.
- 2 Assess an organisation's internal environment and capabilities.
- 3 Evaluate and apply the outcomes of an analysis using Porter's Five Forces model to a given market sector.
- 4 Apply models, theories and concepts to assist with the understanding and interpretation of strategic directions available to an organisation.

## Essential Content

### LO1 **Analyse the impact and influence which the macro environment has on an organisation and its business strategies**

#### *The Strategic Context:*

Missions, visions and objectives.

The definition and meaning of strategy.

The role of strategy to achieve business objectives and goals, strategic intent and different strategic direction.

Different strategic planning techniques.

#### *Analytical frameworks of the macro environment:*

The different types of frameworks and analysis of the macro environment, including:

Stakeholder analysis: stakeholder matrix, stakeholder mapping.

Environmental analysis: PESTLE and Porter's Five Forces model.

Structure-conduct-performance model.

Strategic positioning: Ansoff's growth vector matrix.

Organisational audit: SWOT analysis, benchmarking indicators.

### LO2 **Assess an organisation's internal environment and capabilities**

#### *Organisational internal environment:*

What are strategic capabilities and what are the key components of strategic capabilities?

Resource-based view strategy as a basis for competitive advantage and the McKinsey's 7S model as a management tool.

Analysis of strategic capabilities using the VRIO/VRIN framework.

Benchmarking strategic capabilities and value chain analysis.

Cost-benefit analysis.

### LO3 **Evaluate and apply the outcomes of an analysis using Porter's Five Forces model to a given market sector**

#### *Analytical tools and models of analysis:*

The Balanced Scorecard to align organisation vision and strategy.

Competitive analysis using Porter's Five Forces model.

Stakeholder analysis.

Applying the Ansoff matrix to product/market strategy.

**L04 Apply models, theories and concepts to assist with the understanding and interpretation of strategic directions available to an organisation**

*Strategic choices and directions:*

The application of Porter's generic strategies: cost and price leadership strategy, differentiation strategy, focus strategy and the extended model of Bowman's strategy clock.

Hybrid strategy.

Diversification.

Vertical/horizontal integration.

## Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
<p><b>LO1</b> Analyse the impact and influence which the macro environment has on an organisation and its business strategies.</p>		<p><b>LO1, 2, 3 &amp; 4</b></p> <p><b>D1</b> Critique and interpret information and data applying environmental and competitive analysis to produce a set of valid strategic directions, objectives and tactical actions.</p>
<p><b>P1</b> Applying appropriate frameworks analyse the impact and influence of the macro environment on a given organisation and its strategies.</p>	<p><b>M1</b> Critically analyse the macro environment to determine and inform strategic management decisions.</p>	
<p><b>LO2</b> Assess an organisation's internal environment and capabilities</p>		
<p><b>P2</b> Analyse the internal environment and capabilities of a given organisation using appropriate frameworks.</p>	<p><b>M2</b> Critically evaluate the internal environment to assess strengths and weaknesses of an organisation's internal capabilities, structure and skill set.</p>	
<p><b>LO3</b> Evaluate and apply the outcomes of an analysis using Porter's Five Forces model to a given market sector</p>		
<p><b>P3</b> Applying Porter's Five Forces model evaluate the competitive forces of a given market sector for an organisation.</p>	<p><b>M3</b> Devise appropriate strategies to improve competitive edge and market position based on the outcomes.</p>	
<p><b>LO4</b> Apply models, theories and concepts to assist with the understanding and interpretation of strategic directions available to an organisation</p>		
<p><b>P4</b> Applying a range of theories, concepts and models, interpret and devise strategic planning for a given organisation.</p>	<p><b>M4</b> Produce a strategic management plan that has tangible and tactical strategic priorities and objectives.</p>	

## **Recommended Resources**

JOHNSON, G. et al (2014) *Exploring Strategy Text and Cases*. Harlow: Pearson.

JOHNSON G. et al (2011) *Fundamentals of Strategy*. 2nd Ed. Financial Times/Prentice Hall.

KIM, W. C. and MAUBORGNE, R. (2015) *Blue Ocean Strategy*. Expanded Ed. Boston: Harvard Business Review Press.

ROTHAERMEL, F. (2014) *Strategic Management*. 2nd Ed. Maidenhead: McGraw-Hill.

## **Links**

This unit links to the following related units: *Unit*

*1: Business and the Business Environment Unit*

*18: Global Business Environment*

*Unit 25: Principles of Operations Management Unit*

*27: Identifying Entrepreneurial Opportunities*

*Unit 33: Business Information Technology Systems*

*Unit 42: Planning for Growth*