

Unit 43: Business Strategy

Unit code	H/618/5124
Unit level	5
Credit value	15

Introduction

This unit supports individuals who are working in or towards managerial roles in all market sectors to develop and enhance strategic thinking and planning that will improve organisational performances of businesses in their respective competitive markets. General manager skills and competences are focused on through a range of themes and topics that can be applied in most contexts.

The aim of this unit is to develop students' awareness of the different types of strategic approaches that 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 that 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. They could do this 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:

- LO1 Analyse the impact and influence that the macro environment has on an organisation and its business strategies
- LO2 Assess an organisation's internal environment and capabilities
- LO3 Apply the outcomes of an analysis, using an appropriate strategic management tool, in a given market sector
- LO4 Develop a strategic management plan in an organisation, informed by models, theories and concepts, to achieve competitive advantage in a given market sector.

Essential Content

LO1 **Analyse the impact and influence that 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 and stakeholder matrix, stakeholder mapping
- environmental analysis using PESTLE and Porter's Five Forces model
- structure-conduct-performance model
- strategic positioning, e.g. Ansoff's growth vector matrix
- organisational audit and the use of SWOT analysis, benchmarking indicators.

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

Organisational internal environment:

Strategic capabilities and the key components of strategic capabilities.

Resource-based view strategy as a basis for competitive

Benchmarking strategic capabilities and value chain analysis.

Cost-benefit analysis.

Internal analysis:

Informing internal assessment from external context: linking tools, e.g. SWOT informed by PESTLE

McKinsey's 7S model as a management tool.

Analysis of strategic capabilities using the VRIO/VRIN framework.

LO3 Apply the outcomes of an analysis, using an appropriate strategic management tool, in 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 and market strategy.

Measuring strategic outcomes:

Identifying and establishing strategic performance indicators.

Reviewing and redefining goals and objectives.

LO4 Develop a strategic management plan in an organisation, informed by models, theories and concepts, to achieve competitive advantage in a given market sector.

Strategic management planning:

Definitions and overview of strategic management, the process of strategic management, elements included in strategic planning.

The use of the Business Canvas Model to visualise, assess, change business models.

The use of roadmaps to visualise long term business objectives and strategies.

Strategic choices and directions:

Strategic alignment of internal processes to organisational objectives.

Organisational sustainability.

Selection of fit-for-purpose strategy, in line with corporate agendas.

Models, theories and other strategic concepts:

Porter's generic strategies:

- cost leadership strategy
- differentiation strategy
- differentiation and cost focus strategy.

Hybrid strategy through differentiation and low-cost pricing approaches.

Strategic positioning and extended model of Bowman's Strategy Clock

Diversification by entering new products, markets or combinations – Ansoff's Matrix.

Vertical/horizontal integration by acquiring other businesses in a production line or value chain.

Mergers and acquisitions – differences in strategic approaches and how this influences plans.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
<p>LO1 Analyse the impact and influence that the macro environment has on an organisation and its business strategies</p>		
<p>P1 Applying appropriate frameworks, analyse the impact and influence of the macro environment on a given organisation and its strategies.</p>	<p>M1 Critically analyse the macro environment to determine and inform strategic management decisions.</p>	<p>LO1, LO2, LO3 and LO4</p> <p>D1 Create a set of valid strategic directions, objectives and tactical actions for successfully achieving strategic alignment, based on critical interpretation of internal and external data, and information.</p>
<p>LO2 Assess an organisation's internal environment and capabilities</p>		
<p>P2 Conduct an internal environment and capabilities assessment of a given organisation using appropriate frameworks.</p>	<p>M2 Interpret information and data to assess strengths and weaknesses of an organisation's internal capabilities, structure and skill set.</p>	
<p>LO3 Apply the outcomes of an analysis, using an appropriate strategic management tool, in a given market sector</p>		
<p>P3 Determine appropriate management tools to analyse a given market sector for an organisation and inform strategy.</p> <p>P4 Devise appropriate strategic objectives, based on the outcomes of analysis for an organisation to inform strategy.</p>	<p>M3 Justify use of an appropriate strategic management tool for a given market sector, to inform strategy and strategic objectives for an organisation.</p>	

Pass	Merit	Distinction
<p>LO4 Develop a strategic management plan in an organisation, informed by models, theories and concepts, to achieve competitive advantage in a given market sector.</p>		
<p>P5 Apply a range of models, concepts or theories to interpret and devise strategic planning for a given organisation.</p> <p>P6 Design a strategic management plan, applying appropriate strategies to improve competitive edge and market position based on the outcomes.</p>	<p>M4 Produce a strategic management plan that has tangible and tactical strategic priorities and objectives.</p>	

Recommended Resources

Textbooks

JOHNSON, G. et al (2019) *Exploring Strategy: Text and Cases*. 12th Ed Harlow: Pearson.

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

ROTHAERMEL, F. (2018) *Strategic Management*. 4th Ed. Maidenhead: McGraw-Hill.

Websites

www.businessballs.com	Business Balls Strategy and innovation (General reference)
www.businesscasetudies.co.uk	Business Case Studies Case studies Strategy (Resources)
www.corporatefinanceinstitute.com	Corporate Finance Institute Resources Knowledge Strategy (General reference)
www.strategy-business.com	Strategy and Business Strategy (General reference)

Links

This unit links to the following related units:

Unit 1: Business and the Business Environment

Unit 25: Global Business Environment

Unit 27: Identifying Entrepreneurial Opportunities

Unit 44: Business Information Technology Systems

Unit 53: Planning for Growth