

**STRATEGIC LEVEL-2**
**S6 - STRATEGIC MANAGEMENT**
**INTRODUCTION**

This course of Strategic Management has been designed in a lively and user friendly manner and presents a rich and comprehensive examination of strategic management concepts and tools.

**OBJECTIVE**

This text enables the students to identifying and resolves the key issues related to strategic management.

**LEARNING OUTCOMES**

Upon completion of this course, students will be able to:

- Understand the nature and scope of Strategic Management
- Learn the planned strategies, levels of strategy and transaction cost approach;
- Understand and differentiate among mission, goals and strategy;
- Realize the role and responsibilities of directors in the strategy development process;
- Evaluate the impact and influence of the external environment on an organization and its strategy;
- Comprehend the concept of organizational change and recommend techniques to manage resistance to change;
- Realize the role of change management in the context of strategy implementation;
- Learn strategic planning, management accounting and business strategy;
- Recommend appropriate control measures
- Comprehend the game theory;
- Learn the art of using the value chain in competitive advantage;
- Differentiate between organic and in-house innovation;
- Distinguish between divestment and rationalization;
- Apply decision techniques;
- Differentiate between re-engineering and innovation;
- Understand the ways of identifying, measuring and assessing the types of risk facing by an organization, including the organization's ability to bear such risks;
- Evaluate risk management strategies and the essential features of internal control systems for identifying, assessing and managing risks;
- Comprehend credit/counterparty risk, market risk, operational risk, transaction risk, interest rate and other risks;

**INDICATIVE GRID**

PART	SYLLABUS CONTENT AREA	WEIGHTAGE
A	<b>STRATEGIC MANAGEMENT AND COMPETITIVE ENVIRONMENT</b>	15%
	1. Nature and Scope of Strategic Management	
	2. Strategy: Introduction, Levels and Concepts	
B	<b>INTERACTING WITH THE COMPETITIVE ENVIRONMENT</b>	15%
	4. Business strategy and strategy development	
C	<b>STRATEGY DEVELOPMENT AND STRATEGIC OPTIONS</b>	45%
	6. Strategic decision making	
	7. Resource audit	
	8. Generic strategies	
	9. Directions and methods of growth	
	10. Evaluating strategic options	
	11. Strategic marketing	
	12. Information systems and strategy	
	13. Issues in strategic management	
	D	
14. Organizational change		
E	<b>IMPLEMENTING STRATEGIC PLANS</b>	5%
F	<b>RISK MANAGEMENT</b>	10%
	<b>TOTAL</b>	<b>100%</b>

**Note:** The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

**DETAILED CONTENTS**
**PART - A**
**STRATEGIC MANAGEMENT AND COMPETITIVE ENVIRONMENT**
**1. Nature and Scope of Strategic Management**

- What is Strategic Management?
- The Characteristics of Strategic Decisions
- Strategic management Stages
- Benefits of Strategic management

**2. Strategy: Introduction, Levels and Concepts**

- What is strategy-background
- Planned strategies: the rational model
- Crafting emergent strategies
- Other approaches to strategy
- Strategy and structure
- Levels of strategy
  - a) Corporate Level Strategies
  - b) Business Level Strategies
  - c) Functional Level Strategies
- Concepts in established and emergent thinking in strategic management
- The transaction cost approach
- Mission
- Goals, aims and objectives
- Implementation

**3. General and Competitive environment**

- Relating the organization to its environment
- The political and legal environment
- The economic environment
- The social and cultural environment
- The technological environment
- Stakeholder goals and objectives
- The competitive advantage of a nation's industries: Porter's diamond model
- Competitor analysis
- Accounting for competitors
- Sources, availability and quality of a data for environmental analysis
- Information for planning and control
- Environmental information and analysis
- The competitive environment: The Five Forces by M.E Porter
- Competitive strategies
- Corporate appraisal (SWOT Analysis)

**PART - B**
**INTERACTING WITH THE COMPETITIVE ENVIRONMENT**
**4. Business strategy and strategy development**

- Strategic planning
- Strategic planning: the rational model
- Less formal strategic planning
- Strategy lenses
- Environmental complexity and organizations
- Resource-based strategy
- Management accounting and business strategy
- Director's strategic roles and responsibilities

**5. Stakeholders and corporate objectives**

- Mission, goals and strategy
- Business goals and objectives
- The short term and long term
- Stakeholder management

- Business ethics
- Corporate social responsibility and sustainability
- Not-for-profit organizations

**PART - C**
**STRATEGY DEVELOPMENT AND STRATEGIC OPTIONS**
**6. Strategic decision making**

- Relating the organization to its environment
- Environmental information and analysis
- Gap analysis
- Forecasting
- Scenario planning
- Foresight
- Game theory
- Strategic intelligence

**7. Resource audit**

- The position audit
- Resources and limiting factors
- Converting resources: the value chain
- The supply chain
- Outputs: the product portfolio
- New products and innovation
- Benchmarking

**8. Generic strategies**

- Factors affecting strategic options
- Generic competitive strategic
- Using the value chain in competitive strategy
- Pricing and competition

**9. Directions and methods of growth**

- Product-market strategy: direction of growth
- Methods of growth
- Organic growth and in-house innovation
- Mergers and acquisitions
- Joint ventures and strategic alliances
- Divestment and rationalization
- Public and non-for-profit sectors

**10. Evaluating strategic options**

- Evaluating strategic options
- Strategic management accounting, DCF and investment appraisal
- Risk and cost behavior
- Decision techniques

**11. Strategic marketing**

- Marketing
- Service Marketing
- Marketing: products, customers and segmentation
- Customer relationship marketing and loyalty
- Reviewing the customer portfolio
- Databases and marketing
- E-marketing

**12. Information systems and strategy**

- Strategic information system
- Information strategy
- Information sources and management
- Information for planning and control
- Knowledge management

- Databases and models
- E-commerce
- Web 2.0 technologies and business strategy
- IT department

**13. Issues in strategic management**

- Managing projects
- Lean systems
- Re-engineering and innovation
- Organisation structure

**PART - D**
**CHANGE MANAGEMENT**
**14. Organizational change**

- Introduction to change management
- Triggers for organisational change
- Stage models of change
- Other models of managing change
- Force field analysis
- Managing resistance to change

**15. Implementing change**

- Types of change
- The context of change
- Culture and change
- Styles of change management
- Why change succeeds or fails
- Change and the individual
- Leading change
- Group formation and its impact on change
- Business ethics and change management
- Change in practice
- Change management and strategy implementation

**PART - E**
**IMPLEMENTING STRATEGIC PLANS**
**16. Strategic control**

- Planning and control
- Inflation and NPVs
- Using contribution margin as a measure of performance
- Divisional performance: return on investment (ROI)
- Divisional performance: residual income (RI)
- Comparing profit centre performance
- Inter-firm comparisons and performance ratios
- Achieving success for the shareholder
- International subsidiaries

**PART - F**
**RISK MANAGEMENT**
**17. Risk Management**

- Introduction to risk
- Methods of measuring, assessing and controlling risks
- Evaluation of risk management strategies, assessing and managing risks
- Risk Management Control and Evaluation
- Management of Financial Risks
- Credit/Counterparty risk, Market risk, Operational risk, Transaction risk, interest rate and other risks
- Case Study and Risk Management System of a Limited Company/Corporation

**Recommended Books:**

CORE READINGS		
TITLE	AUTHOR	PUBLISHER
Strategic Management Concepts & Cases	Fred R. David	Prentice Hall / Pearson / Financial Times
Financial Risk Management (Chapter 3, 6,9,10, 13)	Steven Allen	Wiley Finance