Unit BR2: Strategic Management

Unit code:	T/503/7386
QCF level:	6
Credit value:	15

Aim

This unit aims to give the learner understanding of the importance of strategy to an organisation in providing direction and scope over the long term. The unit also gives the learner the skills to assess an organisation's strategic position in order to gain an advantage through combining its competencies and resources.

Unit abstract

Strategic management is constantly changing and it is important that learners understand the strategic position of an organisation.

This involves the analysis of business environments, the evaluation of strategic capability and the development of strategic purpose. Learners will examine how an understanding of culture can help managers develop the strategies of their organisations. The cultural web model which allows managers to analyse culture and its influence on strategy will be introduced.

Strategic choices are concerned with decisions about an organisation's future and the way in which it needs to respond to the pressures and influences. The consideration of strategies must take into account the realities of turning strategy into action which in turn can be a significant constraint on strategic choice. The strategy of going international is considered, including the sources of advantage and the methods of market selection and entry.

The importance of effective change management is explored which is a critical success factor in strategic management.

Learning outcomes

On successful completion of this unit a learner will:

1 understand how strategic choices are made in organisations

2 understand the importance of culture within strategic positioning in organisations

3 understand the risks involved in an organisation deciding to internationalise

4 be able to assess the strategic position of an organisation

5 understand the importance of change in strategic management.

Unit content

1 Understand how strategic choices are made in organisations

Levels of strategy: business level strategy; corporate level strategy; Ansoff's Product/Market Growth Matrix; international strategies

Strategy evaluation: suitability of the strategy; threats, opportunities, weaknesses, strengths (TOWS matrix); ranking strategic options; decision trees; scenarios; acceptability; returns; analysis (financial, cost benefit, shareholder value, risk, ration, sensitivity); feasibility of the strategy; financial resources; deployment of resources

2 Understand the importance of culture within strategic positioning in organisations

Culture: national and regional cultures; the organisational field; sets of assumptions, norms and regimes; organisational culture

Organisational culture and strategy: the management of culture; culture as a driver of strategy; development of strategy; implementation of new strategies; assessing corporate performance; adopting a suitable paradigm

Cultural web: tool for analysing culture; elements of the web; paradigm

3 Understand the risks involved in an organisation deciding to internationalise

Drivers to internationalise: Yip's drivers of globalisation

National and international sources of advantage: Porter's Diamond model; the international value network; international strategies; simple export; complex export; multidomestic strategy; global strategy

Market selection and entry: market characteristics; political, economic, social, legal, competitive characteristics; entry modes; exporting; joint ventures and alliances; licensing; foreign direct investment

4 Be able to assess the strategic position of an organisation

The business environment: macro environment; industries and sectors; competitors; Porter's five forces framework; industry life cycle; strategic groups; market segments; opportunities and threats

Strategic capability: methods for evaluating strategic capability

Strategic purpose: corporate governance; business ethics and corporate social responsibility; stakeholder expectations; stakeholder power; organisational purpose, values, mission, vision, objectives

5 **Understand the importance of change in strategic management**

Methods for diagnosing change situations: types of strategic change; big bang, incremental, realignment, transformational, cultural context; force field analysis

Change management styles and roles: roles in managing change; strategic leadership; education, participation, intervention, direction, coercion

Management of strategic change programmes: strategic reconstruction; turnaround strategy; managing revolutionary and evolutionary strategic change

Learning outcomes and assessment criteria

Learning outcomes On successful completion of this unit a learner will:	Assessment criteria for pass The learner can:
LO1 Understand how strategic choices are made in organisations	1.1 Analyse the different levels of strategy in an organisation 1.2 Compare methods of strategy evaluation in organisations
LO2 Understand the importance of culture within strategic positioning in organisations	2.1 Assess the importance of culture in organisations 2.2 Evaluate how organisational culture influences strategy in an organisation 2.3 Analyse the cultural web of an organisation
LO3 Understand the risks involved in an organisation deciding to internationalise	3.1 Evaluate the drivers that encourage organisations to internationalise 3.2 Critically evaluate national and international sources of advantage for an organisation 3.3 Assess methods of market selection and entry for an organisation
LO4 Be able to assess the strategic position of an organisation	4.1 Carry out an analysis of the business environment of an organisation 4.2 Evaluate the strategic capability of an organisation 4.3 Develop a strategic purpose for an organisation
LO5 Understand the importance of change in strategic management	5.1 Explain the methods for diagnosing change situations 5.2 Critically evaluate different change management styles and roles 5.3 Evaluate the management of strategic change programmes in organisations

Guidance

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

The learning outcomes associated with this unit are closely linked with the National Occupational Standards for Management and Leadership:

A1 Manage your own resources

B1 Develop a strategic business plan for your organisation

B2 Map the environment in which your organisation operates

B3 Develop strategic business plan for your organisation

B4 Put the strategic plan into action

B5 Provide leadership for your team

B8 Ensure compliance with legal, regulatory, ethical and social requirements

B9 Develop the culture of your organisation

B10 Manage risk

C2 Encourage innovation in your area of responsibility

C4 Lead change

C5 Plan change

C6 Implement change

D4 Plan the workforce

E1 Manage a budget

E8 Manage physical resources

E10 Take effective decisions

E11 Communicate information and knowledge

F4 Develop and implement marketing plans for your area of responsibility

F9 Build your organisation's understanding of its market and customers

F10 Develop a customer-focused organisation

F12 Improve organisational performance

F16 Manage the development and marketing of products or services in your area of responsibility

The content of this unit has also been mapped against the Engineering Council's current Learning Outcomes for IEng Accreditation. The completion of the learning outcomes for this unit will contribute knowledge, understanding and skills towards the evidence requirements for IEng Registration.

See *Annexe B* for summary of mapping information for IEng Accreditation.

Essential requirements

There are no special requirements needed for this unit.

Delivery

For learning outcome 1, learners need to understand the strategic position of an organisation. This could involve the learners working in small groups undertaking a review of the business environment of selected organisations from different sectors. They should be encouraged to apply Porter's five forces to the particular area under investigation and to use SWOT analysis and the value chain to assess strategic capability. A review of strategic purpose should also take place which should focus on corporate governance, business ethics and corporate social responsibility.

For learning outcome 2, learners need to understand the importance of culture within strategic positioning which could involve small group work examining case studies focusing on particular cultures within a variety of organisations and the impact these cultures have on their strategic positioning. Learners need to understand that culture is a key driver of strategy and that culture in any organisation can be analysed using the tool known as the 'cultural web'. Learners could through case studies or with reference to their own organisations use the cultural web to analyse the cultural arrangements in place.

For learning outcome 3, learners should also understand that when an organisation makes a strategic decision to go international, a series of risks will emerge. Learners need to be made aware of the key drivers that exist that encourage organisations to go international. Again case studies can be used to identify sources of advantage of entering foreign markets and the decision making process involved associated with market selection and entry.

For learning outcome 4, learners need to understand the importance of strategy development and the difference between intended and emergent strategies. Class and small group discussions can help learners identify these various strategic developments in place in their own organisations. Learners will also need to understand the importance of organisation structure and the effective management of resources both physical and human in strategy development.

For learning outcome 5, learners need to understand that when change is to take place in an organisation, there are various different types of change situations and that these can be diagnosed using various tools and techniques. The importance of change management styles and roles also needs to be examined and this can be successfully delivered through case study material, information from the learners' own organisations and relevant guest speakers who can take learners through the various stages of successful change management programmes that they may have been involved with.

Assessment

The preferred method of assessment for this unit is to have one full unit assignment allowing the learner to research aspects of strategic management in their own organisation or another organisation that will allow them access. The assignment could if desired, be broken down into 2, 3 or 4 or smaller assignments. The evidence could be in the form of a presentation or report covering the five learning outcomes and all the assessment criteria. It is advisable to teach the learning outcomes in their learning outcome order (1 to 5) as each learning outcome builds on the knowledge of the previous one.

Resources

Books

Asch D and Bowman C – *Readings in Strategic Management*
(Palgrave Macmillan, 1989) ISBN 978-0333518090

Barney J – *Gaining and Sustaining Competitive Advantage* (Prentice-Hall, 2007)
ISBN 978-0131355026

Davenport T and Norton D – *The Strategy-focused Organization*
(Harvard Business School Press, 2000) ISBN 978-1578512508

Cusumano M and Markides C – *Strategic Thinking for the Next Economy*
(Jossey Bass, 2001) ISBN 978-0787957292

De Wit B and Meyer R – Strategy*: Process, Content, Context*
(Thomson Learning, 2004) ISBN 978-1405119993

Grant R – *Contemporary Strategy Analysis* (Blackwell, 2004)
ISBN: 1405119993

Gratton L – *Living Strategy: Putting People at the Heart of Corporate Purpose*
(Prentice Hall, 2000) ISBN 978-0273650157

Harrison J – *Strategic Management: Concepts and Cases* (Wiley, 2002)
ISBN 978-047122927

Johnson G, Scholes K and Whittingham R – *Exploring Corporate Strategy*
(Prentice Hall Ed 8, 2008) ISBN 978-0273711926

Johnson G – *Exploring Public Sector Strategy* (Prentice Hall, 2000)
ISBN 978-0273646877

Kaplan R and Norton D – *The Strategy-Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment* (Harvard Business School Press, 2000) ISBN 978-1578512508

Lynch R – *Corporate Strategy* (Prentice Hall, 2005) ISBN 978-0273701781

McGee, J, Thomas, H and Wilson D – *Strategy: Analysis and Practice*
(McGraw-Hill, 2005) ISBN 978-0077107055

Mintzberg H – *The Rise and Fall of Strategic Planning* (Prentice Hall, 2000)
ISBN 978-0273650379

Mintzberg H, Ahlstrand B and Lampel J – *Strategy Safari: A Guided Tour through the Wilds of Strategic Management* (Prentice Hall, 2001)
ISBN 978-0273656364

Pettigrew A, Thomas H and Whittington R – *The Handbook of Strategy and Management* (Sage, 2001) ISBN 978-0761958932

Schwartz P – *The Art of the Long View* (Wiley, 1997) ISBN 978-0471977858

Stacey R – *Strategic Management and Organisational Dynamics* (Prentice Hall, 2002) ISBN 978-0273658986

Journals

Academy of Management Journal (Academy of Management)

British Journal of Management (Blackwell)

California Management Review (University of California, Berkeley)

European Management Journal (Elsevier)

Harvard Business Review (Harvard Business School)

Journal of Business Strategy (Blackwell)

Journal of Management Studies (Blackwell)

Long Range Planning (Elsevier)

MIT Sloan Management Review (MIT Sloan School of Management)

Strategic Change (John Wiley & Sons Ltd)

Strategy and Leadership (Emerald)

Websites

www.ft.com	*Financial Times*
www.managers.org.uk	Chartered Management Institute
www.sps.org.uk	Strategic Planning Society