

**S6 - STRATEGIC MANAGEMENT**
**STRATEGIC LEVEL-2**
**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
	<b>STRATEGIC MANAGEMENT AND COMPETITIVE ENVIRONMENT</b>	
A	1. Nature and Scope of Strategic Management 2. Strategy: Introduction, Levels and Concepts 3. General and Competitive environment	15%
	<b>INTERACTING WITH THE COMPETITIVE ENVIRONMENT</b>	
B	4. Business strategy and strategy development 5. Stakeholders and corporate objectives	15%
	<b>STRATEGY DEVELOPMENT AND STRATEGIC OPTIONS</b>	
C	6. Strategic decision making 7. Resource audit 8. Generic strategies 9. Directions and methods of growth 10. Strategic marketing 11. Issues in strategic management 12. Externally Oriented Cost Management Techniques	40%
	<b>CHANGE MANAGEMENT</b>	
D	13. Organizational change 14. Implementing change	10%
	<b>STRATEGY AND TECHNOLOGY</b>	
E	15. Big Data 16. Block Chain Technology	10%
	<b>RISK MANAGEMENT</b>	
F	17. Risk Management	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
- Definition of Mission,

- Mission VS Vision,
- Components of Mission statement,
- Character/benefits of Mission statement 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)
- Strategic Position and Action Evolution (SPACE) Matrix
- Boston Consulting Group (BCG) Matrix
- Internal – external (IE) Matrix
- Grand Strategy Matrix
- Quantitative Strategic Planning Matrix (QSPM)

## 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

- Business goals, objectives and Strategy
- The short term and long term
- Stakeholder management
- Business ethics
- Corporate social responsibility and sustainability
  - Environment Social and Governance (ESG), Sustainability and Integrated reporting
  - IFAC Sustainability framework 2.0(Business strategy perspective, operational perspective and reporting perspective).
  - The International Integrated Reporting Framework
- 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. Strategic marketing

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

### 11. Issues in strategic management

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

### 12. Externally Oriented Cost Management Techniques

- The Value Chain
  - What is value chain analysis
  - Concept of primary and secondary value chain
  - Role of management accountants in value chain for optimization of profit.
- Supply Chain Management -only theory
- Outsourcing
  - Concept of outsourcing and its application in short term decisions.
- Partnering, incentives and gain-sharing arrangements- only theory

## PART – D CHANGE MANAGEMENT

### 13. 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

### 14. 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**  
**STRATEGY AND TECHNOLOGY**

**14. Big Data**

- What is big Data?
- Characteristics of Big data (3Vs)
- How to make use of Big Data
- Value of Big Data in creating transparency, market segmentation and customization, decision making and in new products and services
- Big Data and customers
- Limitations of Big Data
- Application of Big Data and digitization in knowledge-based organizations
- Link of digitization and business value
- The value of digitization to businesses
- Digitization and “the internet of things”

**15. Block Chain Technology:**

- Concept of Block, Block time, Hard Forks, decentralization, openness and Permissionless.
- Permissioned (private) blockchain
- Disadvantages of private blockchain
- Block chain analysis and its uses
- Types of block chains i.e., public, private and hybrid block chains
- Blockchain and internal audit

**PART - F**  
**RISK MANAGEMENT**

**16. 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