

COURSE: BUS4090: STRATEGIC MANAGEMENT
CREDIT: 3 UNITS

1.0 COURSE DESCRIPTION

Strategic Management is a study of how “managerial decisions and actions” determine the sustainability of the long-run performance of a business organization that should lead to business enterprise to sustainable and increasing levels of production, profitability and growth. It includes the understanding of the environment (both external and internal) in which the organization operates and is part of, the formulating of strategy (strategic long range planning), implementing the formulated strategy, evaluating the outcomes (results) of the implementation process and controlling the continuous day to day operational processes to ensure achievement of the set objectives.

The study emphasizes the monitoring and evaluating the business firm’s “**external opportunities and threats**” in the light of the firm’s “**strengths and weaknesses**” which then enable management to review or formulate a business firms’ mission, vision, objectives, strategy and policy.

1.1 Prerequisite: Senior standing and MGT 3010

1.1 PURPOSE OF THE COURSE

The major purpose of this course is to equip the students with skills, knowledge and attitudes necessary for effective leadership and change management in dynamic and multicultural organizations.

2.0 LEARNING OUTCOME LINKAGES

2.1 Link to the University Mission Outcomes

The major university mission outcomes include higher order thinking, literacy, global understanding and multicultural perspective, preparedness for a career, leadership and ethics, and community service. This course BUS4090 is designed to develop student's managerial, leadership and technological skills in business firm's problem analysis, decision making and the application of strategic management practices through higher order thinking in term's of environmental scanning, strategy formulation, implementation and control in a global and multicultural environment

2.2 Link to School of Business Outcomes

The School of Business mission outcomes are linked to the university mission outcomes and include global oriented, multidisciplinary, change oriented, experiential, initiative and problem solving, team player, effective communication, preparedness for a career, and transformational leadership. BUS4090 course is designed to contribute to the achievement of five major School's mission outcomes including transformational leadership and ethics, change oriented, team player, problem solving and effective communication

2.3 Link to BUS4090 Program Learning Outcomes

The mission of the BUS4090 program is to prepare undergraduates in the art and science of managing and learning organizational change in a dynamic environment. The course is designed specifically to contribute to the achievement of transformational leadership, program outcomes by developing leadership and change management skills necessary for transforming profit and not for profit organizations.

2.4 COURSE OBJECTIVES

1. To introduce the student to the concept of strategic management.
2. To introduce the student to the functioning of the organization as an organic whole.

3. To develop an appreciation of the dynamic and intricate external environment within which an enterprise functions and the need to plan and initiate appropriate responses.
4. To develop an understanding of the intricacies of general management and the role of the chief executive in the formulation and implementation of appropriate strategies for his/her organization.
5. To enhance the integration and application of principles learnt and knowledge gained from other academic disciplines and for general experience.
6. When taken through the course, the student will be able to develop managerial analytical skills that will enable him/her to face problem-solving and decision-making situations with greater confidence.
7. To enable student solve problems with greater foresight and insight and thus making sound decisions

3.0 EXPECTED WEEKLY LEARNING OUTCOMES AND COURSE CONTENT

4.1 WEEK 1: Introduction and General Overview to Strategic Management

The objective of this week is to introduce the student to strategic management and the role it plays in corporate management affairs. The student is required to explore and define concepts in strategic management, explore the concept of strategic thinking, the role of the manager as a strategist, appreciate the involvement of other stakeholders in strategic management and the varying levels of strategies that are required in business organizations. It also introduces the Strategic Management Model and Strategic Decision making process and the events that triggers the process.

a) Learning Outcomes

b) Topics /Subtopics

- Definition of key terms and concepts
- Nature and scope of strategic management
- Critical tasks of strategic management
- Dimensions of strategic decisions
- Key attributes of strategic management
- Meaning and process of strategic thinking

c) Recommended Reading

Pearce J. and Robinson, R. (2009), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 1

Pearce J. and Robinson, R. (2007), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers,

d) Assignment 1

After graduation, you are not likely to move directly to a top-level management position. In fact, few members of your class will ever reach top management level. Why, then, it is important for all business majors to study the field of strategic management?

4.2 Week 2: Benefits of Strategic Management

By the end of this week the students will be able to analyze the benefits of strategic management and process to the firm that is critical for successful strategic planning and implementation.

a) Learning Objectives

b) Topics/Subtopics

- Benefits of strategic management
- Approaches to strategic management
- Levels of strategy; corporate; business; functional
- The strategic management process

c) Recommended Reading

Pearce J. and Robinson, R. (2009), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 1

Pearce J. and Robinson, R. (2007), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 1

d) Assignment / Question

Discuss with practicing managers the strategic management model used in their firms. What are the similarities and differences between these models and the one in the text?

Week 3-4: Analysis of the External Environment

The purpose of this chapter is to introduce to the student the need and role of analyzing the firm's external environment. This chapter will cover the important role played by environmental factors. Topic areas covered include the following:

a) Learning Outcomes

b) Topics/Subtopics

- The firm's external Environment

Remote environment

- (PESTEGCO)

Industry Environment

- How competitive forces shape strategy
- Contending forces
- Industry and competitive analysis

Operating Environment

- Competitive Position
- Customer profiles
- Suppliers
- Creditors
- Human Resources
- Emphasis on environmental factors

Global Environment

c) Recommended Reading

Pearce J. and Robinson, R. (2009), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 4 and Chapter 5

Pearce J. and Robinson, R. (2007), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 4 & 5

d) Assignment/Quiz

Choose an industry in which you would like to compete. Use the five forces method of analysis to explain why you find that industry attractive.

4.5 Week 5: Analysis of the Internal Environment

By the end of this week the students will be able to analyze a firm's internal capacity is critical for successful strategic planning and implementation. The purpose of this chapter is twofold: To introduce the student to the concept, need for and role of internal environmental analysis; and to expose the student to the most common tools used to analyze the firm's internal environment.

The Resource-Based View of the firm (RBV)

a) Learning Outcomes

b) Topic/sub-topic

- SWOT Analysis
- The Value Chain
- Comparison (Past Performance; Stage of industry Evolution; Benchmarking Industry Success Factors; Traditional Financial Analysis).
- The Balanced Scorecard

c) Recommended Reading

Pearce J. and Robinson, R. (2009), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 6

*Kaplan, S. Robert and Norton, David P. (1992, Jan/Feb) "The Balanced Scorecard-Measures that Drive Performance" in **Harvard Business Review**, pp. 71-79*

d) Assignment/Quiz

Describe SWOT analysis as a way to guide internal environment. How does this approach reflect the basic strategic management?

4.6 Week 6: Corporate Strategy Formulation Process

This week aims to give an overview of the corporate strategy formulation process. The chapter gives an overview of the strategy formulation process and describes the process of formulating and the role of the corporate mission and vision statements. The student is required to investigate and appreciate how internal and external environmental analysis guide corporate strategy formulation.

a) Learning Outcomes

b) Topics /Subtopics

- A review of the Strategic Management Process
- Mission
- Formulation of a mission statement
- Vision
- Establishing organizational long term objectives
- Establishing short term objectives
- Strategy
- Policy

c) Recommended Reading

Pearce J. and Robinson, R. (2009), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 8

Additional Reading Assignments

Huffman, Brian (2001) “*What makes a brilliant Strategy*” in **Business Horizon**, July/August 2001, pp, 13-20

Thomas L. W & J. D Hunger (2000), “Strategic Management & Business Policy”, (Prentice Hall International, Inc) Chapter 1

a) Assignment

Case study of Kenya Airways Ltd

Topic: Corporate strategy, strategy formulation, external and internal analysis

4.7 Week 7: MID SEMESTER EXAMINATION

4.8 Week 8 & 9 Strategic Choice and Alternatives

The objectives of this chapter is to introduce to the student the pool of alternative strategies that are available to managers of business organizations and the applicability of these strategies in varying situations. The chapter also offers useful models of industry analysis. Finally, this chapter explores some basis strategic models that are useful in understanding and solving strategic challenges.

a) Learning Outcomes

b) Topics/Subtopics

- Generic strategies

- Low –cost-leadership
 - Differentiation
 - Focus
 - Requirements for generic strategies
 - Grand strategies
- (Concentration growth, market development, product development, innovation, horizontal and vertical integration)
- The BCG matrix in strategic choice

c) Recommended Reading

Pearce J. and Robinson, R. (2009), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapters 7, 8 and 9

d) Assignment

Write a long-term objective for your college of business that exhibits the seven qualities of long term objectives.

Week 10 &11 Strategic Implementation and Management

The purpose of this week is to introduce the student to the implementation and management of strategies that have been formulated in the previous chapter. The student is required to explore the intricate tasks involved in the operationalization of the corporate strategies.

a) Learning Outcomes

b) Topic/subtopics

- The need for appropriate organizational structure
- Changing processes and culture
- Human and resource factors in strategy implementation
- Leading strategic change/leadership implementation
- Managing the change program
- Managing structural change (Organisational Implementation)
- Building the culture of successful implementation
- Functional policy Implementation
- Creating policies that empower
- Bonus compensation plans

c) Recommended Reading

1. Bashir, H (1996). *The Relationship Between Corporate Strategy And Corporate Culture, USIU School of Business Teaching Paper Series*
2. Pearce J. and Robinson, R. (2009), *Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 10 and Chapter 11*

d) Assignment/Quiz

Think about any two leaders you have known, preferably one good and one weak. They can be business persons, coaches someone you work(ed) with, and so forth. Make a list of five traits, practices, or characteristics that cause you to consider one good and other weak. Compare the things you choose with the seven factors used to differentiate effective organizational leadership.

Additional Reading Assignments

1. Freedman, M (2003) "The Genius is in the Implementation" In *Journal of Business Strategy, March/April 2003, pp. 26-31*
2. Beer, M and Eisenstat, R. A. (2002). Summer. *The Silent Killer of Strategy Implementation and Learning" In Sloan Management Review.*
3. Porter, Thomas W. and Harper, Stephen C. (2003). January/February *Tactical implementation: The Devil is in the details, Business Horizons, pp.53-59.*
4. Pitkoff, Greg (2003), **January** *Making a great leader a great communicator: Leading the way of Franchise Success in Franchising World, pp.26-28.*

4.12 Week 12 Strategy Evaluation and Control

The objective of this chapter is to understand and appreciate the meaning, principles, and role of strategy evaluation and control. The chapter will explore the purpose of evaluation, criteria used in strategy evaluation and the contribution evaluation and control make to the overall success of corporate strategy implementation.

a) Learning Outcomes

b) Topics/Subtopics

- Meaning of evaluation

- Significance of strategy evaluation
- Criteria for evaluation
- Qualitative and quantitative evaluation criteria
- Framework for evaluating strategy
- Strategic control systems
- Significance of control

c) Recommended Reading

Pearce J. and Robinson, R. (2009), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 12 & 13

Pearce J. and Robinson, R. (2007), Strategic Formulation and Implementation, (Homewood, Illinois: Irwin Publishers, Chapter 12 & 13

d) Assignment

Select a business whose strategy is familiar to you. Identify what you think are the key premises of the strategy. Then select the key indicators that you would use to monitor each of these premises.

Additional Reading Assignments

1. Byren J.A, France, M. and Zellner, W. (2002), February 25 “Corporate Culture: The Environment Was Ripe for Abuse” In **Business Week**.
2. Kaplan, S. Robert and Norton, David P. (1996, January-February) “The Balanced Scorecard-Measures that Drive Performance” In **Harvard Business Review**, pp.71-79
3. Conlin M. (2002) February 25 “The Software Says You’re Just Average” In **Business Week**

4.13 Week 13: GROUP WORK AND TERM PAPER PRESENTATIONS

Week 14: FINAL EXAMINATION

5.0 TEACHING METHODOLOGY

- Formal lectures and class discussions
- Cases and situation analysis

- Research and out-of-class assignments
- Additional readings
- Examinations and tests

COURSE TEXTS

Pearce, John A., 2009, Strategic Management: Formulation, Implementation 10th Edition
Cole, G.A., 1997, Strategic Management: theory and practice

READINGS

1. *Strickland, A. J., Strategy Implementation: Concepts and Cases, 9th Edition (Homewood, Illinois: Irwin 1996).*
2. *Stacy, Ralph D. Strategic Management and Organizational Dynamics, (London: Pitman Publishing Co., 1993)*
3. *Henry and Quinn, James B. The Strategy Process, Concepts, texts Cases, (Prentice Hall International 1996.)*
4. Thomas L. W & J. D Hunger (2000), "Strategic Management & Business Policy", (Prentice Hall International, Inc)

COURSE EVALUATION

| | |
|------------------------------------|-------------|
| Class attendance and participation | 10% |
| Group Work (Case Studies) | 10% |
| Assignments/Quizzes | 10% |
| Term Paper | 20% |
| Mid- Semester Exam | 20% |
| <u>Final Exam</u> | <u>30%</u> |
| Total | 100% |

USIU GRADING SYSTEM

| | | | |
|----------|----|---------|----|
| 90 - 100 | A | 70 - 73 | C |
| 87 - 89 | A- | 67 - 69 | C- |
| 84 - 86 | B+ | 64 - 66 | D+ |
| 80 - 83 | B | 62 - 63 | D |
| 77 - 79 | B- | 60 - 61 | D- |
| 74 - 76 | C+ | 0 - 59 | F |

GROUP ASSIGNMENT

This assessment is to be done in your groups

Task: Analysis of Case studies

TERM PAPER

Term Paper (Case Study Handout) – Strategic Management Practices

Assignment Guide

- Discussion should demonstrate an understanding of the relevant concepts discussed in the course. Therefore, application and not regurgitation of facts is emphasized.
- The discussion should not be based on conjecture. Instead, base your discussion on existing literature. Numerous journals accessible through EBSCO HOST have a lot of information. Explore different views; this will facilitate the development of academic discourse.
- Reference **‘all the sources of all your ideas-always.’** The paper should include in text and end text references done in APA style. (If you do not know or you are not sure about referencing see me as soon as possible).
- Use academic writing. Avoid terms as Kids, between rock and hard place, catch 22 and chilled.
- Avoid abbreviations and all forms of first person I, we, you, us and our.
- Good assignments are re-written not written, answer the question, easy to read and less descriptive and more evaluative.

Assignment Presentation

- The assignment should be in report format. It should have a cover page, table of content, introduction, main body with headings and subheadings, conclusion and references at the end.
- The assignment should be typed in size 12 font and double line spacing.
- A high standard of written work is expected, poor presentations; spelling and grammar will extract heavy penalties. This is not only requirements of this course but it is also the expected minimum professional standard expected in industry.

Submission of assessment and exams

1. The term paper and the group assignment are to be submitted directly to the instructor during or before the class session.
2. All the assignments should be typed in size 12 font and double line spacing.
3. Make-up exams will not be set for this unit.

6.0 KEY INSTITUTIONAL ACADEMIC POLICIES

Your attention is drawn to the following University Policies

1. Attendance

“The university expects regular class attendance by all students. Each student is responsible for all academic work missed during absences”

(Page 45, University Catalogue).

2. Acts of misconduct

“The code of conduct prohibits certain acts of misconduct by student enrolled at the university...the following acts are examples of violation;

- Fabrication-any falsification or invention of data, citation, or other authority in an academic exercise.
- Plagiarism- any passing of another’s ideas, words, or work as one’s own.
- Unauthorized collaboration-collaboration is any academic exercise unless the faculty member has stated that such collaboration is permitted.

7. YOUR ATTENTION IS DRAWN TO THE FOLLOWING

1. *There will be **NO MAKE-UPS** for examinations and CATs given.*
2. *Assignments must be handed in as per the deadline directly to the lecturer.*
3. *Attendance will constitute 5% of the total mark*
4. *Participation will constitute 5% of the total mark.*
5. *APA format of writing will be used in all assignments.*

*****END*****

8.0 EXAMINATION REGULATIONS

I. INVIGILATION

1. The supervisor should take the following steps prior to the commencement of the examination:
 - i) Ensure that there are no materials on the board, walls, floor or furniture that might facilitate cheats.
 - ii) Ensure that the seating plan does allow sufficient distance between candidates.
2. Candidates will be allowed into the examination room no earlier than 5 minutes before the commencement of the examination.
3. Only candidates with valid USIU student identity cards will be admitted into the examination room. A candidate is required to wear his or her identity tag throughout the duration of the examination. The invigilator should check the cards to ensure that they are authentic and that nothing is scribbled on them.
4. As candidates enter the examination room they must surrender the following before they take up their seats:
 - * Bags
 - * Overcoats
 - * Caps/hats
 - * Books
 - * Notes
 - * Papers
 - * Cellphones
 - * Calculators
 - * Scientific watches
 - * Portable audios and
 - * any other objects that might be used for cheating
5. Calculators, log tables and geometrical sets shall not be allowed unless otherwise directed by the instructor.
6. The invigilator reserves the right to confiscate any unauthorized materials.
7. No candidate will be allowed into the examination room 20 minutes after the commencement of the examination.
8. No candidate will be permitted to leave the examination room while the examination is in progress except in cases of emergency. Such emergencies will not include bathroom visits.
9. Invigilators must ensure that absolute silence is observed in the examination room.
10. At least 5 minutes prior to the commencement of the examination invigilators will:
 - (i). Take a roll call using the official class list.
 - (ii). Send away any student whose name is not on the official class list.
 - (iii). Ask the candidates to surrender any unauthorized material.
 - (iv). Draw the attention of the candidates to the consequences of cheating in an exam

- (v). Draw the attention of the candidates to the instructions on the front cover of the answer books and in the question papers.

11. Once the question paper is issued an invigilator must be alert and in attendance until the scripts are collected.

Below are some of the cheating methods in order of popularity:-

- (i). Swapping and substitution of answer sheets or booklets
(ii). Swapping question papers
(iii). 'microchips' or condensed/minimized notes smuggled using devices such as

- * ball pens
- * pencil pouches
- * shoes
- * ties
- * shirt/blouse sleeves
- * limbs, especially palms, arms and thighs
- * chairs
- * calculators (especially sliding)
- * cell phones
- * spectacle cases
- * walls and roof
- * walkman

- (iv). Stealing a glance at other candidate's answers.

- (v). Feigned bathroom 'emergencies'

- (vi). Candidate substitution

- (vii). Whispers and gestures.

12. There must be at least one invigilator for every 40 students in an examination room.

13. To thwart cheats, the invigilators should:

- (i). Monitor the candidates continuously.
(ii). Never bring reading material or own work to the examination room.
(iii). Never return assignments, quizzes or term papers during the exam.
(iv). Walk around the room from time to time, inspecting pencil sets and other items that could be used to hide 'microchips'. Invigilation from the back is particularly effective in a room with many candidates and having 2 or more invigilators.

14. If an invigilator directly observes or otherwise determines (based on other evidence) that an act of cheating or misconduct has been committed or attempted s/he should take the following steps:

- (i). Caution the candidate(s) involved that they are suspected of cheating.

- (ii). Confiscate or take note of the **suspected** material but allow the candidate to continue with the examination.
- (iii). Make a description of the suspected misconduct with specific date, time and circumstances and witnesses.
- (iv). Send the report to the Dean with a recommendation as to whether the suspected misconduct is a serious violation or an infraction under USIU academic code of conduct.

II.MISSING EXAMINATIONS

In the past some students have failed to present themselves for scheduled examinations without good cause.

All students must ensure that they familiarize themselves with the examination timetable so as to report for each examination at the appointed time and place.

THERE ARE NO MAKEUPS FOR MISSED OR FAILED EXAMS.

However, in the event of serious illness, bereavement or accident the victim should report the matter to the appropriate Dean and instructor as promptly as possible. Only those cases reported immediately and supported with evidence will be considered.