

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

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**Cambridge International Diploma in Management
Higher Professional Level**

Scheme of Work

4262
Strategic Management
Core Module



UNIVERSITY *of* CAMBRIDGE
International Examinations

MODULE NUMBER (CORE) 4262: STRATEGIC MANAGEMENT

BRIEF INTRODUCTION AND MODULE OUTLINE

This core module introduces strategic management with a particular focus on the increasingly important issue of strategic change as a means of ensuring that the organisations operations are aligned to its strategic objectives. These can be difficult concepts to understand and time needs to be devoted to explaining what strategic management is, how it relates to other facets of management and the critical role of strategic analysis, planning and management.

The module brings together many of the aspects of management that are considered independently in other modules and looks at how they come together to determine the overall direction of the organisation and its financial wellbeing.

It is important that candidates understand the purpose and structure of organisational and business strategy and how they inform the operations and business activities of the organisation.

From a manager's perspective, strategy is about forecasting, shaping and managing or controlling the future. Consequently, there is emphasis in the module on the analysis of the external and internal factors that may influence an organisation's future and determine strategy. Following this, candidates need to understand how this analysis can be used to forecast, determine and plan the organisation's strategic options. The concept of risk and risk management should also be introduced.

The Competence Criteria and Skills and Knowledge of the module place a lot of emphasis on strategic change and effective change management. However, candidates need to appreciate that implementing strategic change is just one aspect of the management of the organisation at a strategic level, as strategic change can refer to any changes that are made at a strategic level in an attempt to increase the likelihood of the organisation meeting its strategic objectives.

Reviewing annual and business reports and case studies / profiles of organisations that have implemented major changes can help candidates to get a feel for the nature of strategic management and the options and types of decisions which managers face when trying to manage the organisation towards the achievement of its objectives.

Assessment Objectives:

1. Identify the strategic plans of the organisation
2. Analyse the impact of the strategy on a department or project
3. Analyse options for change in the department or project
4. Evaluate and select options for change in line with the strategy
5. Implement changes to effect the strategic direction

RECOMMENDED PRIOR KNOWLEDGE

For Units 1 and 2 candidates need to have a good understanding of the significance and role of strategic management. They should also be familiar with a range of analytical tools e.g. PESTLE, 7Ss, SWOT.

For Units 3, 4 and 5 basic project planning skills are needed as well as an understanding of how to present proposals for change in a business like format. These skills may already have been covered elsewhere in the Programme, but if this is not the case then time will need to be spent taking candidates through the basic requirements of project planning, implementation and evaluation, as well as making project proposals.

SUGGESTED TEACHING ORDER / SUMMARY SCHEME OF WORK

Apart from the need to ensure that any requirements for prior knowledge are addressed the module sits fairly comfortably at any point in the Programme. However, there might be merit in making it one of the first modules as many of the concepts and analytical models it introduces are referred to and applied in other modules. Organisational Behaviour and Change Management (Option) or Strategic Marketing (Option) may be useful follow on modules.

The Strategic Management module is made up of 5 Assessment Objectives which follow a logical order from identifying the need for change through to analysing and evaluating the strategic options and implementing strategy.

At Unit level the teaching should follow this logical progression, however, within each Unit suggestions are made as to which order particular Competence Criteria should be covered and which could usefully be combined.

For Unit 1, it is also suggested that prior to focusing specifically on strategic change time is devoted to ensuring that candidates have a good understanding of strategic management and the critical issues of strategic analysis, planning and management (see Brief Introduction and Module Outline)

The column headed **Explanation of Competence Criteria** is designed to give an indication of the main content to be covered and should help with this planning detail.

UNITS / ASSESSMENT OBJECTIVES: SUGGESTED ORDER

1	<p>Identify the strategic plans of the organisation</p> <p>This Unit helps to clarify the key purpose of the organisation, the plans to achieve this and the reasons for the plans. This includes looking at the internal and external environment, understanding plans and objectives and resource capability.</p>
2	<p>Analyse the impact of the strategy on a department or project</p> <p>This Unit helps the candidate to understand how all departments or projects in the organisation contribute to the strategy. Department and project objectives are included here with clear links to the previously identified strategic objectives. The concept of strategic fit applies here.</p>
3	<p>Analyse options for change in the department or project</p> <p>This Unit builds on the identified issues internal and external to the organisation that were identified in Unit 1 and analyses the pressures on an organisation for change. The forces acting for and against change are also explored and it reminds candidates of the inevitability of change and the need to strategically plan for and manage it. The role of change agents and political and cultural issues should also be covered. Candidates will need to identify and analyse the suitability of the strategic options available to the organisation or those taken and the impact of these on the particular department or project.</p>
4	<p>Evaluate and select options for change in line with the strategy</p> <p>This Unit follows logically from Units 3. It looks in more detail at the strategic options identified and requires candidates to evaluate them for their expected outcomes and viability Candidates may already be familiar with some evaluative models and techniques but a good range needs to be introduced so that candidates have the opportunity to assess their suitability and use. Purpose built strategic forecasting and planning computer programmes and spreadsheets should also be reviewed. Having selected a suitable option, candidates are required to propose and justify their plan.</p>
5	<p>Implement changes to effect the strategic direction</p>

Implement strategy requires candidates to apply their analysis and understanding from the previous Units to plan to implement, monitor and evaluate their chosen strategy. This requires an understanding of basic project planning skills such as objective setting, milestone setting and monitoring and evaluation as well as resource planning. However, this Unit is also about the implementation of strategy through effective change management and the human resource / people aspects of strategy implementation including people's reaction to change, culture, change agents and the way in which the change and its outcomes should be communicated. In other words, the Unit looks at the what, when, who, how *and why* of strategy implementation.

LIST OF RESOURCES

There is a wealth of accessible and readable material about strategic management and change. Most management and strategic management textbooks at Higher Professional and MBA level will include relevant sections and there are also many dedicated websites.

In addition to those on the Higher Professional Level booklist, the following texts are particularly helpful at this level:

-  Thompson, *Strategic Management: Awareness and Change* (2001) ISBN 1861525877
-  Johnson and K Scholes, *Exploring Corporate Strategy: Text and Cases with Business Dictionary* (2003) ISBN 0582843294
- H Macmillan and M Tampoe, *Strategic Management: Process, Content and Implementation* (2000) ISBN 0198782292
- K Singh, N Pangarkar and G Lim *Business Strategy in Asia, A Casebook*, (2004), ISBN 981243724X

From a teaching perspective, *MBA Management Models* by Sue Harding and Trevor Long (ISBN 0566081377) is an excellent summary of management models most commonly used in this and other modules.

For Units 3, 4 and 5, candidates should be encouraged to look at the work of Rosabeth Moss Kanter on Change Agents.

For Units 4 and 5, the following project management books may be useful:

-  Kliem and IS Ludin, *The People Side of Project Management* (1995) ISBN 0566076683
-  Grundy *Strategic Project Management: Creating Organizational Breakthroughs* (2001) ISBN 1861529791

There is also a wealth of readable and interesting case studies from organisations that have made major strategic change with varying degrees of success, and managerial case studies written specifically to explore various aspects of strategic management. Many of these are available on line, for example, through The Times 100 website (<http://www.thetimes100.co.uk>) or the CMI and annual / business reports and Company accounts are available through bized (<http://www.bized.ac.uk>) and Carol (<http://www.carolworld.com>). G Johnson and K Scholes, *Exploring Corporate Strategy* (Text and Cases version) is also a good source of case study material. Strategy Blueprint from www.strategyblueprint.com is another useful resource that is available on CD or on-line.

UNIT 1: Identify the strategic plans of the organisation

UNIT 2: Analyse the impact of the strategy on a department or project

Recommended prior knowledge: No prior knowledge is required, however, before tackling the change aspects of this Unit, candidates need to have a good understanding of the significance and role of strategic management.

They should be encouraged to think about the internal and external pressures for change which impact upon their own organisation and familiarity with a range of tools of strategic analysis such as PESTEL and the Seven Ss Framework would be useful.

Candidates should be encouraged to read around the subject and most management books at Higher Diploma level are likely to include material covering both strategic management and change management. There are also many web sites dedicated to these and other management issues.

In addition to those on the Higher Professional Level booklist in the syllabus booklet, the following texts are particularly helpful at this level:

JL Thompson, *Strategic Management: Awareness and Change* (2001) ISBN 1861525877

G Johnson and K Scholes, *Exploring Corporate Strategy: Text and Cases with Business Dictionary* (2003) ISBN 0582843294

H Macmillan and M Tampoe, *Strategic Management: Process, Content and Implementation* (2000) ISBN 0198782292

K Singh, N Pangarkar and G Lim *Business Strategy in Asia, A Casebook*, (2002), ISBN 9812400389

From a teaching perspective, *MBA Management Models* by Sue Harding and Trevor Long (ISBN 0566081377) is an excellent summary of management models most commonly used in this and other modules.

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Outline: These units require candidates to understand what is meant by strategy, strategic management and strategic fit. They will need to identify and analyse the pressures on the organisation and department/project that contribute to the setting of strategy and for change. It looks at both internal and external pressures and reminds candidates of the inevitability of change and the need to strategically plan for and manage it.

SUGGESTED TEACHING ACTIVITIES- INTRODUCTION

All criteria

Before commencing this Unit on strategic change, it is important to check candidates understanding of strategic management and strategic change.

These can be difficult concepts to understand and time needs to be devoted to explaining what strategic management is, how it relates to other facets of management and the critical role of strategic analysis, planning and management.

JL Thompson, *Strategic Management: Awareness and Change* (2001), and other strategic management texts, include some excellent models which can help candidates to understand these issues.

It can be helpful to look at case studies of organisations that have implemented major changes and ask candidates to identify the overall management strategy of the organisation and the objectives and business targets that the changes relate to.

Analysing the annual and business reports of organisations, including the candidate's own organisation, can also help candidates to get a feel for the nature of strategic management and the options and types of decisions which managers face when trying to manage the organisation towards the achievement of its objectives.

With regards to managing change, candidates need to understand that strategic change refers to changes that are made at a strategic level in an attempt to increase the likelihood of the organisation meeting its strategic objectives.

Implementing strategic change is just one aspect of the management of the organisation at a strategic level.

Ideally candidates should focus on their own organisation throughout this module, however where this is not appropriate real case studies should be used. A useful way forward may be to introduce the key concepts and models through group work using the same case study but then ask candidates to apply the same analytical tools etc. to their own organisation.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
1.1	Clarify the key purpose of the organisation	<ul style="list-style-type: none"> • What is the organisation about? • What are the products and services? 	<p>Using examples and case studies, ask the candidates to identify the key purpose of a range of well known organisations. Link these to mission and vision statements, then lead into the concept of strategic or organisational objectives. Briefly look at the external environment in terms of customers. Candidates need to be aware of the external and internal environment of the organisation. These both inform the strategy and affect successful achievement.</p> <p>In groups, ask candidates to reflect on their own organisations and to produce a spider / bubble diagram which identifies those factors in the environment which have determined the strategy and those that might trigger the need for change. Use case study examples to demonstrate the potential strength of these triggers and the consequences for the organisation if it does not respond appropriately or quickly enough - organisations that got left behind etc. Try to use notable organisations that the group are familiar with, not necessarily their own - e.g. organisations that got left behind when the market or technology moved on.</p> <p>Ask candidates to apply PESTLE or a similar model to identify the external triggers that are currently impacting upon their own organisations. This could be followed up with a SWOT (or alternative) to identify the internal pressures and the capacity of the organisation to respond to threats.</p> <p>To encourage wider reading around this important subject, suggest that candidates research and feedback other examples of organisations that have not responded to pressures for change. What were the pressures? What were the consequences for the organisations operations?</p> <p>Practise writing strategic objectives and ask candidates to identify or write those for their own organisations.</p> <p>Using flow-charts, indicate the links between the strategy and the different departments or projects in the organisation. Ask candidates to mirror this for their own organisations and in particular for the department or project they work in.</p> <p>Practise writing department or project objectives linked to the strategic objectives.</p>
1.2	Identify the business or strategic plan of the organisation for the future	<ul style="list-style-type: none"> • What is the target market? • What are the future plans and how have these been translated into strategic objectives? 	
1.3	Explain the reasons for the strategy	<ul style="list-style-type: none"> • What are the macro- and micro-evolutionary forces that have led to the selected strategy and that might affect achievement? 	
2.1	Identify the role of the department or project in achieving the strategy	<ul style="list-style-type: none"> • How do the departments and projects in the organisation contribute to the strategy? 	
2.2	Devise objectives for the department or project in line with the strategy	<ul style="list-style-type: none"> • What are the department or project objectives and what is the fit between these and the overall strategic objectives? 	

UNIT 3: Analyse Options for Change in the Department or Project

Recommended prior knowledge: No prior knowledge is required, however, before tackling the change aspects of this Unit candidates need to have a good understanding of the significance and role of strategic management. Familiarity with a range of analytical tools would be useful.

In addition to those on the Higher Professional Level booklist in the syllabus booklet, the following texts are particularly helpful at this level:

JL Thompson, *Strategic Management: Awareness and Change* (2001) ISBN 1861525877

G Johnson and K Scholes, *Exploring Corporate Strategy: Text and Cases with Business Dictionary* (2003) ISBN 0582843294

H Macmillan and M Tampoe, *Strategic Management: Process, Content and Implementation* (2000) ISBN 0198782292

K Singh, N Pangarkar and G Lim *Business Strategy in Asia, A Casebook*, (2002), ISBN 9812400389

Strategy Blueprint from www.strategyblueprint.com is another useful resource that is available on CD or on-line.

Outline: *Analyse options for change in the department of project* builds on the triggers for change identified earlier and requires candidates to identify and analyse the suitability of the strategic options available to the organisation.

Candidates will need to apply a range of analytical tools to accurately position the organisation and to assess the suitability of options. In assessing suitability candidates will need to consider the organisation's current position, strengths and weaknesses, and strategic objectives.

3.1	Analyse forces for and against change	<ul style="list-style-type: none"> once the need for change has been triggered, what factors are driving it forward and what factors are hindering or slowing down the change process - e.g. lack of resources, people's reluctance to change, organisational structure or culture? 	<p>For the purposes of this Unit, candidates need to select a relatively straight forward change option to focus on and then analyse the factors for and against the selected change – e.g. macro-evolutionary, micro-evolutionary, political, internal infrastructure.</p> <p>Force field analysis (Lewin) is an excellent model to use.</p> <p>You will need to prompt candidates to think very carefully about the precise nature of the driver or resistor - particularly with resistance there is often confusion between the symptom and the cause.</p> <p>Most importantly, having completed the analysis candidates then need to explain how they will maximise the impact of each driver and minimise or eliminate each restrainer i.e. the start of an action plan for managing the change process.</p> <p>Apply this concept to the department or project.</p>
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3.2	Identify strategic options	<ul style="list-style-type: none"> • what changes need to be made to respond to the forces identified? • what are the objectives of the changes? 	<p>Candidates have analysed the forces for change. This Unit looks at the options available to the organisation.</p> <p>The concept of strategic drift can help to explain the difference between transformational and incremental change. Candidates can use this to plot / analyse their organisations position.</p>
3.3	Analyse suitability of options	<ul style="list-style-type: none"> • what are the change options and what are the advantages and disadvantages of each option? • is transformational or incremental change needed? 	<p>Based on this analysis, a brief list of change options, and their advantages and disadvantages could be presented.</p> <p>A more detailed analysis using analytical techniques should be carried out as part of Unit 4. This is likely to involve the application of a range of models and strategies e.g. Porter's generic strategies, product / market growth strategies.</p> <p>A key message from this Unit should be that although change may be inevitable, there are options and decisions to be made about the way in which it is managed.</p>
3.4	Match options to organisational strengths	<ul style="list-style-type: none"> • which options make best use of the organisations strengths? 	<p>Ensuring that change options are matched to organisational strengths is an integral part of analysing and selecting options.</p> <p>To analyse the organisations strengths candidates could complete a SWOT analysis.</p>

UNIT 4: Evaluate and select options for change in line with the strategy

Recommended prior knowledge: Familiarity with evaluative techniques and strategic planning models, including commercially produced IT packages would be helpful as well as an understanding of how to write and present proposals.

These skills may already have been covered elsewhere in the Programme, but if this is not the case then time will need to be spent advising candidates on how to propose and present strategic plans.

The following books may be useful:

RL Kliem and IS Ludin, *The People Side of Project Management* (1995) ISBN 0566076683

T Grundy *Strategic Project Management: Creating Organizational Breakthroughs* (2001) ISBN 1861529791

Strategy Blueprint from www.strategyblueprint.com is another useful resource that is available on CD or on-line.

Outline: This Unit takes the options identified earlier and requires candidates to evaluate them for their expected outcomes and viability. A good range of evaluative models and techniques need to be introduced so that candidates have the opportunity to assess their suitability and use. Purpose built strategic forecasting and planning computer programmes and spreadsheets should also be reviewed. Having selected a suitable option, candidates are required to propose and justify their plan.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
4.1	Identify evaluation criteria	<ul style="list-style-type: none"> what techniques can be used to evaluate strategic options 	<p><u>4.1, 4.2 and 2.3 and 3.4</u></p> <p>This Unit requires candidates to carry out a more detailed analysis of the options which they have identified and outlined in Unit 3 – and also to consider the particular strengths of the organisation.</p> <p>Candidates may already be familiar with analytical and evaluative technique and/ or may have covered these elsewhere in the programme. If this is not the case they will need to be taken through a range of techniques e.g. product / growth placement and strategies, gap analysis, cost benefit analysis, risk analysis. This may also be an appropriate place to introduce candidates to some of the more readily available commercially produced software packages designed to assist managers with strategic evaluation and project planning.</p>

4.2	Select change plan in line with strategy	<ul style="list-style-type: none"> • apply evaluation techniques to select the most appropriate strategic option 	Candidates need to be aware of the range of models and tools available and appreciate the need for the analysis and evaluation but they do not need to be skilled or experienced in the application of any particular technique.
4.3	Propose a strategic plan	<ul style="list-style-type: none"> • clarify your choice of strategy and draft a plan for its implementation 	<p>Particularly if time is short, it may therefore be helpful to ask groups of candidates to research and apply one or two techniques and then to feedback to the group on their usefulness, applicability, advantages, disadvantages etc.</p> <p>Having evaluated and selected a strategic option, candidates need to make a case to justify their choice and propose a plan. The detailed planning of this is best covered as part of Unit 5.0</p>

UNIT 5: Implement changes to effect the strategic direction

Recommended prior knowledge: For this Unit strategic planning skills are needed. These may already have been covered elsewhere in the Programme, but if this is not the case then time will need to be spent taking candidates through the basic requirements of project planning, implementation and evaluation.

The following books may be useful:

RL Kliem and IS Ludin, *The People Side of Project Management* (1995) ISBN 0566076683

T Grundy *Strategic Project Management: Creating Organizational Breakthroughs* (2001) ISBN 1861529791

Candidates should also look at the work of Rosabeth Moss Kanter on Change Agents.

RM Kanter *Challenge of Organizational Change: How Companies Experience It and Leaders Guide It* (2003) ISBN 0743254465

Strategy Blueprint from www.strategyblueprint.com is another useful resource that is available on CD or on-line.

Outline: This unit requires candidates to apply their analysis and understanding from the previous Units to plan to implement, monitor and evaluate their chosen strategy. However, this Unit is also about the implementation of strategy through effective change management and the human resource / people aspects of strategy implementation including people's reaction to change, culture, change agents and the way in which the change and its outcomes should be communicated. In other words, the Unit looks at the what, when, who, how *and why* of strategy implementation.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
5.2	Plan implementation	<ul style="list-style-type: none"> prepare a plan to implement the chosen strategy 	<p><u>5.2, 5.3 and 5.5</u></p> <p>Having made a case for pursuing a particular strategic option, candidates need to put together a more detailed implementation plan which gives clear objectives, accountabilities, resource allocations etc.</p> <p>Before completing the plan, candidates will need to determine how the change will be monitored, controlled and evaluated and so Criteria 5.2, 5.3 and 5.5 should be taught together.</p>

5.3	Monitor and control strategic change	<ul style="list-style-type: none"> • what methods and measures will be used to monitor and control the change? • how will results be measured and recorded? 	<p>In preparing this plan candidates will need to draw on their project management knowledge and skills. Implementation plans feature in many of the modules, and if they have not been covered in detail before, this is a good opportunity to give candidates practice and feedback, especially in the difficult areas of determining precise measurable targets and monitoring and evaluation.</p>
5.5	Evaluate success	<ul style="list-style-type: none"> • how will the success of the change be evaluated, recorded and reported? • how can / will the evaluation inform the future? 	<p>Depending upon the experience of the group, you may need to discuss with the group the content and format of an effective implementation plan - and even agree upon a standard format. Working in pairs or small groups gives candidates the opportunity to check out the clarity of their plans.</p> <p>The importance of contingency planning and planning for continuous improvement also needs introducing.</p>
5.1	Align people to the strategy	<ul style="list-style-type: none"> • consider and manage people's reaction to the change and encourage them to commit to the change 	<p><u>5.1 and 5.4</u></p> <p>In putting the plan together candidates will need to give consideration to how they will align people to the strategy (5.1) and communicate the results.(5.4). They need to appreciate that in planning strategy implementation they cannot ignore the human factor and must think carefully about the overall change strategy which they are recommending along with it's appropriateness to the organisation and circumstances.</p> <p>Many models are available, but Thurley and Wirdenius's (1973) 5 categories are particularly helpful at this level (directive, negotiating, normative, analytical, action – centred).</p> <p>It may be appropriate to make links between this Unit and aspects of the People Management and Organisational behaviour and Change Management Modules. Motivation, training and development for new technology or job roles, structure and culture etc are all important aspects of effective strategic change management.</p> <p>For both 5.1 and 5.4 candidates could be asked to produce a brief communication plan to support their implementation plan. This could be a chart or timetable showing for each stage in the change process - what will be communicated to who, by what means <i>and why / the rationale</i> e.g. formal letters to external customers / stakeholders, briefing meetings for employees.</p>

5.4	Communicate results	<ul style="list-style-type: none"> effectively communicate the change and its results to stakeholders as part of the overall change strategy 	<p>The rationale is likely to focus on aspects such as gaining commitment and 'buy in' or minimising or overcoming resistance. The importance of celebrating success should be a learning point from this.</p> <p>To help with this chart or timetable ask candidates to re-visit their Force Field Analysis and remind them of the discussions on change management roles- the importance of change agents etc.</p> <p>This may also be an appropriate point to remind candidates of the change process (Denial, Resistance, Exploration and Commitment) and explain the role of communication in positively steering and managing the change process so that the stages are moved through as effectively and painlessly as possible.</p> <p>In discussing how people can be aligned to strategies and the reasons why people may resist change it can be useful to ask candidates to reflect on their own experiences of strategic change. They could identify a change which they felt was managed well and one which was managed less effectively – how did people react? What were the key differences in the way in which the changes and their results were communicated etc?</p> <p>Mini case studies and scenarios are useful to encourage candidates to think about the various strategies for overcoming resistance and the advantages and disadvantages of each. Alternatively, ask them to explain in what circumstances they would use the following and why:</p> <ul style="list-style-type: none"> Education and communication? Participation and involvement? Facilitation and support? Negotiation and agreement? Manipulation and co-option? Explicit and explicit coercion?
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			<p>Conclude this Unit by discussing the importance of moving towards an organisational culture and mindset which is more receptive to change and more able to adapt to changes in the external and internal environment (re-visit Unit 1)</p> <p>Lewin's "ice cube' model of unfreezing, movement, refreezing can be useful here.</p>
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