

MGT 523: Strategic Management

Credits: 3

Lecture Hours: 48

Course Objectives

The main objective of this course is to familiarize the students with the fundamentals of strategic management. To succeed in the future, managers must develop the resources and capabilities needed to gain and sustain advantage in competitive markets both traditional and emerging. The way in which organizations attempt to develop such competitive advantage constitutes the essence of their strategy. This course introduces the concept of strategic management through case analyses, and considers the basic direction and goals of an organization and the environment. The emphasis is on the development and successful implementation of strategy in different types of firms across industries.

Course Description

This course is core in nature which embodies the components such as strategic management, external environment analysis, internal environment analysis, strategic options, strategy evaluation and choice, and strategy implementation and control.

Course Details

Unit 1: Introduction to Strategic Management

LH 10

Concept, characteristics and importance of strategic management; Evolution of strategic management; Paradigm shift in strategic management; Concept and characteristics of strategic decisions; Approaches to strategic decision making; Components of strategic management: strategic planning, strategic implementation and strategic control; Strategy and diversification; Strategic plan: mission, objectives, strategies; Red ocean strategy versus blue ocean strategy; Strategic leadership and role of chief executive officers (CEO) as strategic leader; Importance of strategic management in Nepal; Case discussion

Unit 2: Social Responsibility and Ethics in Strategic Management

LH 2

Elements of the socially responsible organization; Social responsibilities of strategic decision makers; ethical decision making; reasons for unethical behavior; Corporate Performance, Governance, and Business Ethics; Case discussion

Unit 3: External Environment Analysis

LH 7

Nature of environment; Concept and process of environment analysis; Importance of environmental analysis; Techniques of environment analysis: PESTLEG analysis, Scenario planning, Porter's five forces model; Strategic group; Competitor analysis; Strategic fit analysis ;Environment threat and opportunity profile (ETOP). Case discussion

Unit 4: Internal Environment Analysis

LH 7

Corporate resource analysis for strengths and weaknesses: marketing, human resource, production/operation, finance/accounting and intellectual resources; Concept and process of corporate appraisal; Types of resource: available resources, threshold resources and unique resources, Core competencies, distinctive competencies, and strategic advantage; Technique of internal analysis: value chain analysis, comparative analysis (historical comparison, industry standards, benchmarking), Financial analysis; Outsourcing; Robustness; Internal factor evaluation matrix. Case discussion.

Unit 5: Strategic Options

LH 8

SWOT analysis: Resource-based view (RBV) and generating alternative strategies; Corporate strategies: stability, growth, and retrenchment; Business strategies : Porter's competitive strategy, strategy clock (low price, differentiation, hybrid, focused differentiation, and failure strategy); Sustaining competitive advantage; Directions for strategy development: market penetration, product development, market development, and diversification; Methods of

strategy development: internal development, mergers and acquisitions, joint development, and strategic alliance. Case discussion

Unit 6: Strategy Evaluation and Choice

LH 6

Evaluation criteria: suitability, acceptability and feasibility; Portfolio analysis for strategic choice: BCG matrix, GE nine cells matrix, Hofer's product market evolution matrix, Public sector portfolio matrix; Functional strategy and policies; Strategic Choice of functional strategy and policies. Case discussion

Unit 7: Strategy Implementation and Control

LH 8

Process of strategy Implementation; Organization structures for strategy implementation: simple, functional, multi-divisional, SBU, holding company, project based, matrix, team-based structure, and structure for multi-national companies; Management system: leadership, motivation, and organizational culture; Managing strategic change: diagnosing the change situation, change management, levels of strategic change; Strategy control: evaluation and control, measuring performance, appropriate measures; Types of control: operational control and strategic control; Characteristics of an effective evaluation and control. Case discussion .

Basic References

Jauch,L., Gupta, R. and Gueck, W. Business Policy and Strategic Management. New Delhi: Frank Bros. and Company Limited.

Johnson,G. and Scholas, K. Exploring Corporate Strategy. New Delhi: Prentice Hall of India.

Pearce, J.A. and Robinson, R.B. Strategy Formulation and Strategic Management Implementation. New Delhi: AITBS.

Wheelen, T.L. and Hunger, J.D. Strategic Management and Business Policy. New Delhi: Pearson Education.

Rao, P. S. Business Policy and Strategic Management. Mumbai: Himalaya Publishing House.

Hitt M.A., Ireland, R.D., Hoskisson, R.E. Strategic Management, Cengage South-Western

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