



Developing Strategic Capability

Week 5





Recap...

Introduction to Developing Strategic Capability

Mintzebergs 10 Schools of thought

Analysing the Environment – Considering Stakeholders

The Marshmallow Challenge Championship

The importance of strategy

Assignment

- By now.. EVERYONE should have emailed their choice of Business to their lecturer
- We are now halfway through the lectures
- Research
- Citations and sources
- Structure the report, place headings etc, only have to populate then
- Guidance on Moodle – use it!





Strategy Recap

– The uses and values of Strategy



Assists in the formulation of goals & objectives

A form of management control- operations level (budgets and targets)

Assists in the process of allocating resources

Identification of key strategic issues in the future

Integrating power of strategy 'corporate culture'



This week – Frameworks and Models

Business can be chaotic, ever changing, therefore it is imperative to apply structure to the chaos

We can do this by applying Theoretical Models and Frameworks

This week we will be looking at:

Boston Matrix

Stakeholder Analysis

PESTEL



Three Models of Strategy

Simple and Static

- These types of organisations exists in environments that hardly change.
- They base their strategies on historical information from sales/usage data.
- Even in this environment however changes can take place e.g. a change in legislation, resources becoming scarce



Three Models of Strategy

Dynamic

- This environment changes quickly and frequently
- Managers need to be visionary and sense what is going to occur.
- Failure of organisations in this type of environment come from management who do not read the signs
- A weakness here however, is that some organisations are always looking for change in the environment and react when they need to stand still.



Three Models of Strategy

Complex

- In this organisation different demands are placed on different aspects of the firm
- A firm producing different products for different markets would experience a complex environment
- Organisational structures would reflect this complexity
- Dynamic and complex organisations face interconnected problems
- Managers will try to reduce uncertainty within the firm by:
- Collecting information and influencing and controlling the environment





SWOT

PESTLE

**Porters'
5 Forces**

Analysis of the Market Position

Portfolio Analysis

- This tends to be used by organisations operating in different businesses and markets or in the same market but with different products.
- Enables managers to assess the attractiveness of particular products and help with investment decisions
- Model BCG(Boston Group Matrix)
- Different frameworks will be utilised depending on what the analysis is aiming to achieve/to find out

A top-down view of various brown cardboard boxes and paper bags scattered on a dark brown, textured surface. The items include several rectangular boxes of different sizes, some with visible flaps, and two paper bags with black plastic handles. The text "Break Time" is overlaid in a white, serif font on the left side of the image.

Break Time

Activity

Divided into groups and allocated a framework

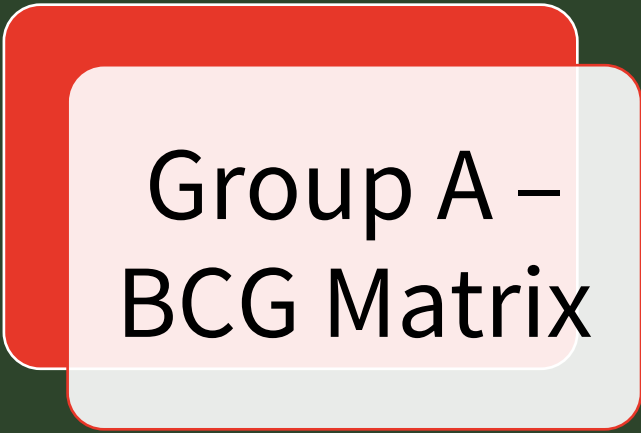
You are required to explain what the framework entails, what it includes, how it is applied.

You are required to discuss any drawbacks that may occur if solely using the allocated framework

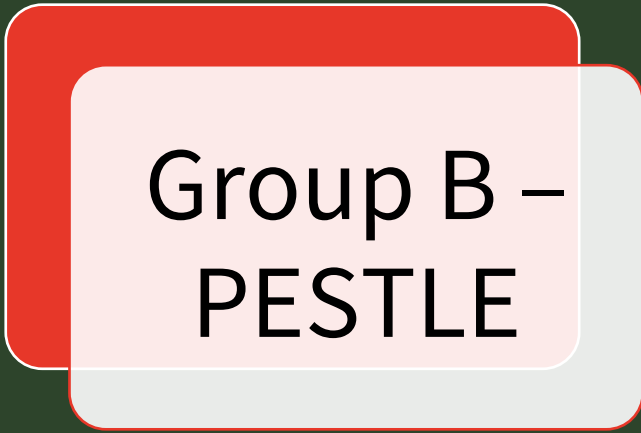
You are required to discuss the benefits of using the allocated framework

You are required to create a PowerPoint for presentation, maximum 3 slides

When complete email the slides to your lecturer ahead of presenting – L.knight@uwtsd.ac.uk

The graphic for Group A consists of two overlapping rounded rectangles. The front rectangle is light pink with a thin red border and contains the text 'Group A - BCG Matrix'. The back rectangle is solid red and is slightly offset to the top-left.

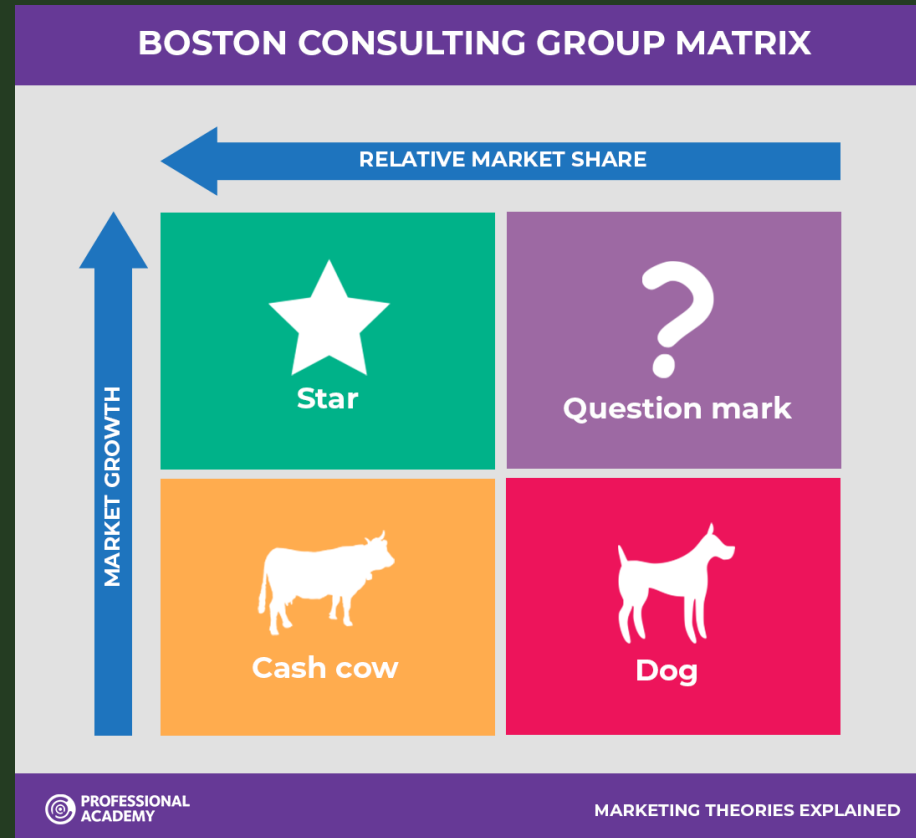
Group A –
BCG Matrix

The graphic for Group B consists of two overlapping rounded rectangles. The front rectangle is light pink with a thin red border and contains the text 'Group B - PESTLE'. The back rectangle is solid red and is slightly offset to the top-left.

Group B –
PESTLE

Activity

BCG Matrix



BCG Matrix Method

1. Stars (high growth, high market share)

- I. use large amounts of cash and are leaders in the business so they should also generate large amounts of cash
- II. frequently roughly in balance on net cash flow. However if needed any attempt should be made to hold share, because the rewards will be a cash cow if market share is kept

2. Cash Cows (low growth, high market share)

- I. profits and cash generation should be high , and because of the low growth, investments needed should be low. Keep profits high
- II. Foundation of a company

3. Dogs (low growth, low market share)

- I. avoid and minimize the number of dogs in a company
- II. beware of expensive 'turn around plans'
- III. deliver cash, otherwise liquidate

4. Question Marks (high growth, low market share) – Sometimes called 'Problem Child'

- I. have the worst cash characteristics of all, because high demands and low returns due to low market share
- II. if nothing is done to change the market share, question marks will simply absorb great amounts of cash and later, as the growth stops, a dog.
- III. either invest heavily or sell off or invest nothing and generate whatever cash it can. Increase market share or deliver cash
- IV. Will it be a Star or a Dog?

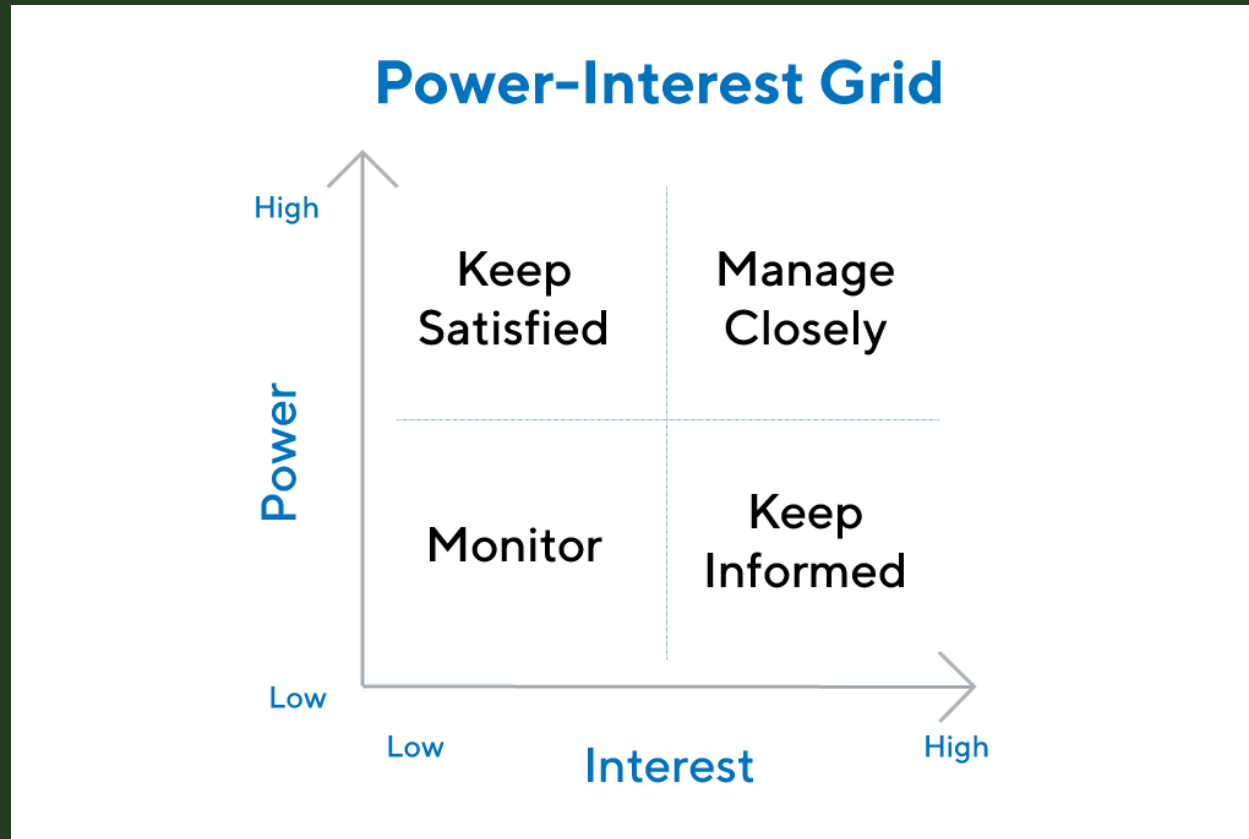
PESTLE



PESTLE Method



Stakeholder Analysis



Stakeholder Analysis Method

Involve - high interest & high influence

Stakeholders in this quadrant will be actively involved in your project and be able to exert a significant influence on how it progresses. A lot of effort should be put in to making sure they are engaged. An example would be teams you are working with to develop and test changes

Engage - high influence & low interest

- These stakeholders will not want detailed communication, but because they can influence your project, enough work should be done to keep them satisfied. An example would be a senior sponsor who receives regular progress updates.

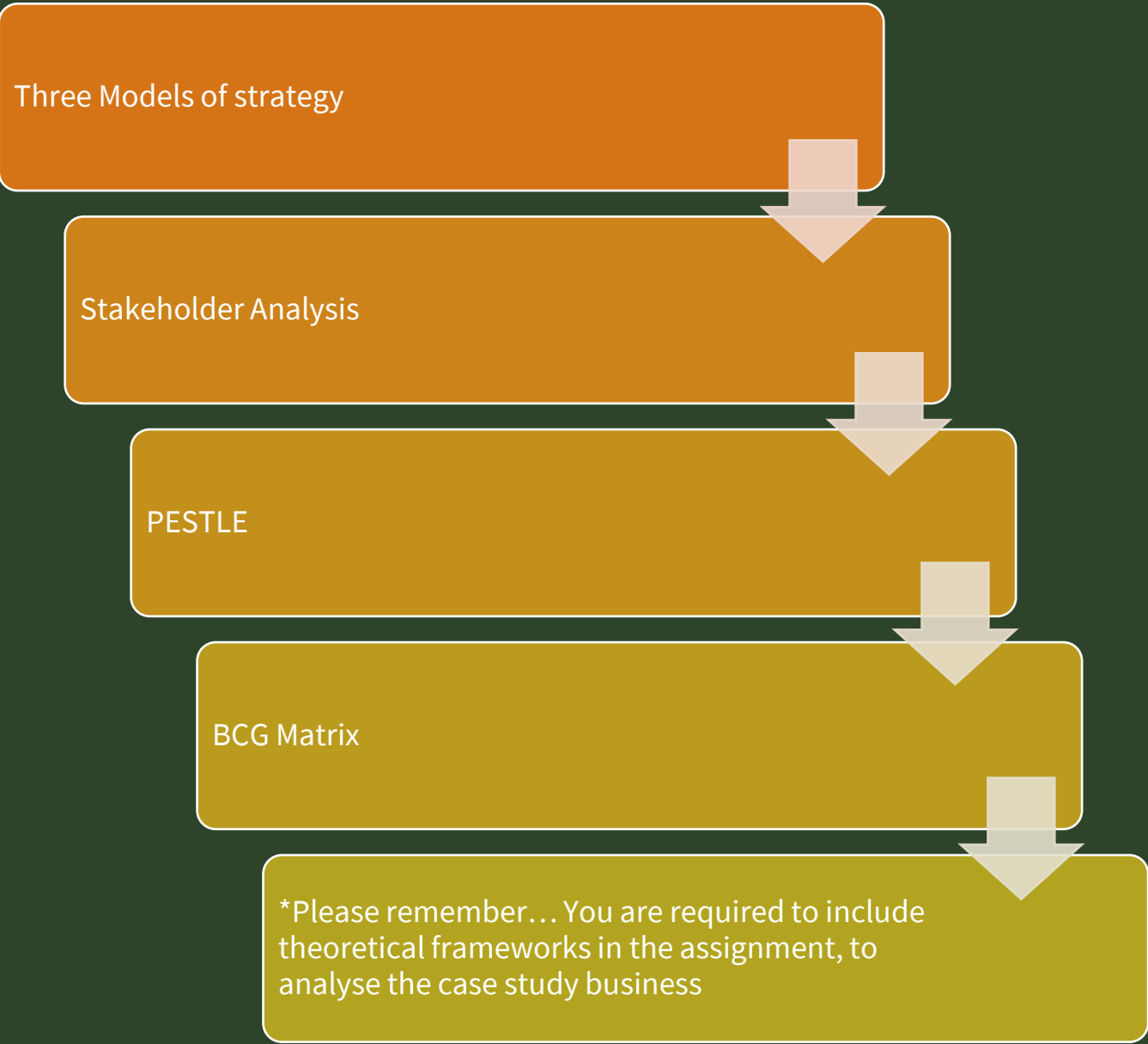
Keep engaged and involve where needed - high interest & low influence

- Stakeholders in this quadrant will not be actively involved throughout your project but do want to hear about progress and may be able to provide input. An example would be teams who may be involved in the future but who are not yet actively involved who receive newsletters or social media updates.

Keep informed - low influence and low interest

- These stakeholders will be part of your system and there may be the potential for your work to involve or concern them, so they should know what's going on however do not bore them with excessive communication.

Three Models of strategy



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graph TD; A[Three Models of strategy] --> B[Stakeholder Analysis]; B --> C[PESTLE]; C --> D[BCG Matrix]; D --> E["*Please remember... You are required to include theoretical frameworks in the assignment, to analyse the case study business"]
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Stakeholder Analysis

PESTLE

BCG Matrix

*Please remember... You are required to include theoretical frameworks in the assignment, to analyse the case study business

Recap

Any
Questions?

