

Lesson Plan: Week 1 - Strategic Management and Strategic Competitiveness (Chapter 1)

Target Duration: Approx. 3-4 Hours

Session Overview

This introductory session defines critical concepts and introduces the main components of strategic management and strategic competitiveness. It establishes the context for subsequent sessions by exploring the strategic management process, competitive landscape, key models (I/O and Resource-Based), vision/mission, stakeholders, and strategic leadership.

Learning Objectives

1. Define strategic competitiveness, strategy, competitive advantage, above-average returns, and the strategic management process.
2. Describe the competitive landscape and explain how globalization and technological changes shape it.
3. Use the I/O model to explain how firms can earn above-average returns.
4. Use the resource-based model to explain how firms can earn above-average returns.
5. Describe vision and mission and discuss their value.
6. Define stakeholders and describe their ability to influence organizations.
7. Describe the work of strategic leaders.
8. Explain the strategic management process.

Lesson Plan Outline

1. Introduction (10-15 minutes)

Objective: Set the stage and define key terms.

- Strategic competitiveness: Successfully formulating and implementing a value-creating strategy.
- Strategy: Integrated actions to exploit core competencies and gain a competitive advantage.
- Competitive advantage: Unique value creation that competitors cannot duplicate or find too costly to imitate.
- Above-average returns: Returns exceeding investor expectations for similar risk levels.
- Strategic management process: Commitments, decisions, and actions to achieve strategic competitiveness (see Figure 1.1).

Activity:

- Quick Think-Pair-Share (5 min): Ask students to pair up and define "competitive advantage" in their own words based on a company they know (e.g., Starbucks). Share one example with the class.

2. The Competitive Landscape (20-25 minutes)

Objective: Explore how globalization and technology shape competition.

- Characteristics: Rapid change, blurred industry boundaries, hypercompetition (e.g., telecom and TV industries).
- Globalization: Economic interdependence, opportunities (e.g., China's market), and risks (e.g., liability of foreignness).
- Technology: Rapid diffusion, disruptive technologies (e.g., iPods), information age, and knowledge intensity.

Activity:

- Case Snippet Discussion (10 min): Present a brief scenario (e.g., "How Netflix disrupted Blockbuster with streaming"). Divide students into small groups to discuss: How did technology and globalization contribute to this shift? Report one key insight.

3. Models of Above-Average Returns (30-35 minutes)

Objective: Compare I/O and Resource-Based models.

- *I/O Model:*
 - External environment drives strategy (e.g., industry attractiveness).
 - Assumptions: Similar resources across firms, resource mobility, rational decisions.
 - Steps: Study environment, select industry, choose strategy, acquire resources, implement (see Figure 1.2).
- *Resource-Based Model:*
 - Internal resources and capabilities drive strategy (e.g., Amazon's online book distribution).
 - Core competencies: Valuable, rare, costly to imitate, non-substitutable.
 - Steps: Identify resources, assess capabilities, evaluate potential, select industry, implement (see Figure 1.3).

Activity:

- Model Match-Up (15 min): Provide students with a list of company traits (e.g., "Strong brand," "Operates in a growing industry"). In pairs, decide if each trait aligns more with the I/O or Resource-Based model and why. Discuss as a class.

4. Vision and Mission (20-25 minutes)

Objective: Understand their role and value in strategic management.

- Vision: Broad, enduring picture of what the firm wants to be (e.g., McDonald's: "World's best quick-service restaurant").
- Mission: Specific, externally focused purpose and scope (e.g., The Honest Co.'s wellness focus).
- Value: Guides strategy, aligns stakeholders, drives performance.

Activity:

- Craft Your Own (10 min): Students individually draft a vision and mission for a fictional startup (e.g., a sustainable clothing brand). Share with a partner to refine, then present one example to the class.

5. Stakeholders (20-25 minutes)

Objective: Identify stakeholders and their influence.

- Definition: Individuals/groups affecting or affected by firm outcomes with enforceable claims.
- Classifications: Capital market (shareholders), product market (customers, suppliers), organizational (employees) (see Figure 1.4).
- Influence: Can withhold participation (e.g., boycotts, stock sales), requiring trade-offs if returns are average/below-average.

Activity:

- Stakeholder Role-Play (10 min): Assign groups different stakeholder roles (e.g., shareholders, customers) for a hypothetical firm. Each group lists one demand and how they'd influence the firm if unmet. Share with class.

6. Strategic Leaders and the Strategic Management Process (25-30 minutes)

Objective: Define leadership roles and outline the process.

- Strategic Leaders: Drive vision/mission through hard work, analysis, and ethical tone (e.g., Kevin Johnson at Starbucks).
- Strategic Management Process:
 - Inputs: Internal/external analysis → Vision/Mission.
 - Actions: Formulate and implement strategies.
 - Outcomes: Strategic competitiveness, above-average returns (see Figure 1.1).
 - Feedback: Adjusts inputs/actions based on outcomes.

Activity:

- Process Mapping (15 min): In small groups, students create a simple flowchart of the strategic management process for a company (e.g., The Honest Co.). Include one input, action, and outcome. Present to class.

7. Wrap-Up and Review (10-15 minutes)

Summary: Recap key concepts (definitions, models, vision/mission, stakeholders, process).

- Q&A: Address student questions.

Homework:

- Answer Review Quiz 1: Available on Moodle.

Case Studies

1. [Starbucks – Competitive Advantage and Strategic Leadership](#)
2. [Netflix vs. Blockbuster – Disruption Through Technology](#)
3. [Amazon – Resource-Based View Example](#)
4. [McDonald's – Vision Example](#)
5. [The Honest Company – Mission and Strategic Process](#)