



What is Strategy?

Week 2

Developing Strategic Capability

Last Week – Recap



Module Introduction

Introduced the
Developing
Strategic
Capability
module and its
aims

What is Strategy?

Explained what
strategy is and
why it matters
for organisations

Strategy Components

Discussed
strategy as
setting goals,
planning, and
resource
allocation

Competitive Advantage & Success

Highlighted
strategy's role in
achieving
competitive
advantage and
success

Assessment Requirements

Outlined the
4,000-word
strategic
analysis report
requirement

Expectations for Learning

Set expectations
for engagement
and strategic
thinking
development

Lesson Objectives

1

Understand Strategy

Learn what
strategy means
and its key
elements

2

Identify Capability

Recognise the
components of
strategic
capability

3

Know the Schools

Understand
Mintzberg's 10
schools of
strategy

4

Think Strategically

Apply strategic
thinking to real
situations

5

Develop Skills

Begin
developing your
own strategic
capability

What is Strategy? Recap

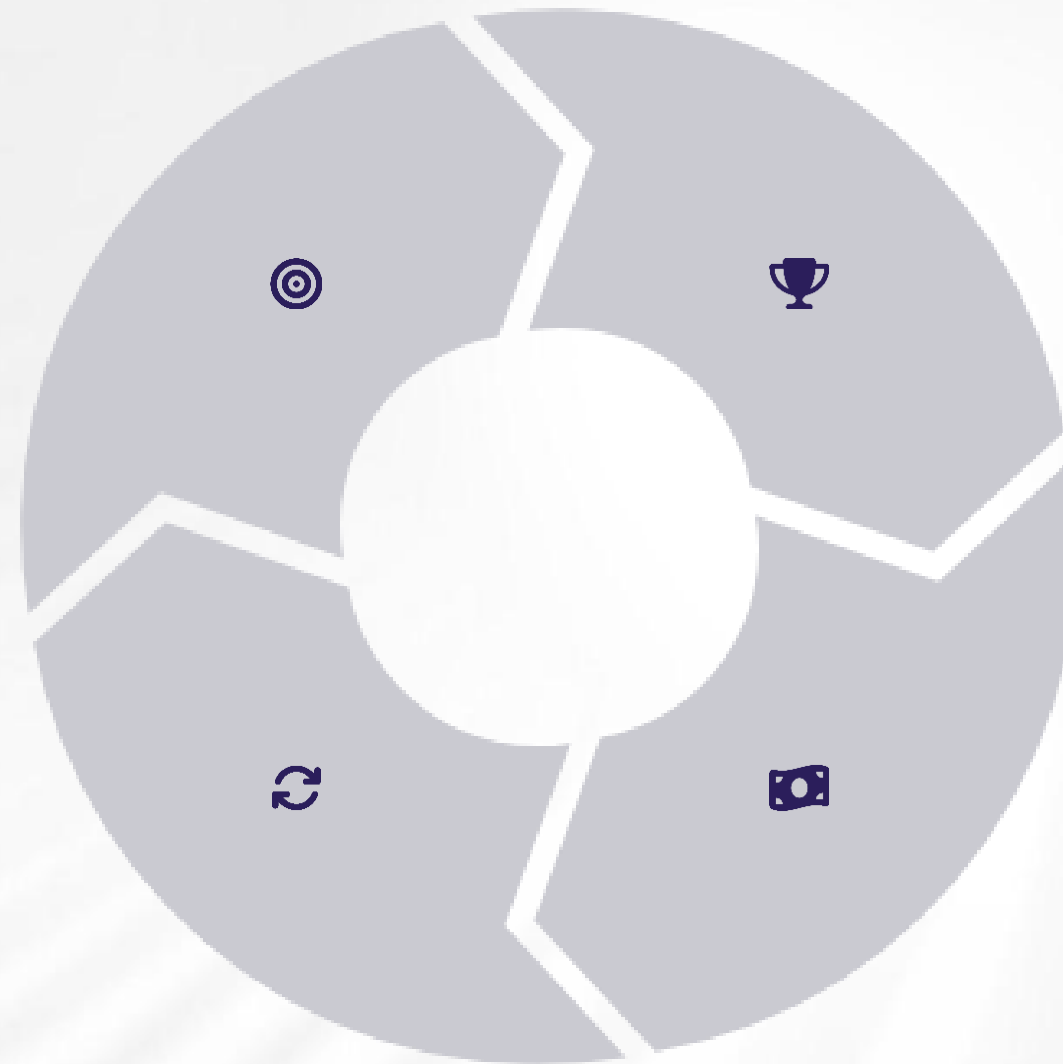
Vision & Purpose

What does the organisation want to achieve?

This is the long-term goal and direction the company wants to move toward for its future.

Responding to Environment

How do we adapt to changes?
Understanding market changes and adjusting strategy to stay relevant and successful.



Competitive Advantage

What makes the organisation special and different?
This is what customers prefer and why they choose this company over others.

Resource Allocation

How are money and people used?
Decide how to distribute financial resources and human talents to achieve the goals effectively.

Research – What's one example of good strategy?

Try and find a real example where someone or an organisation made a smart strategic decision.

What made it work? Was it planned carefully, or did they learn and adapt as they went?

Example:

Netflix began by renting DVDs by post but recognised that streaming was the future. They made a deliberate strategic shift to online streaming and adapted as Technology evolved.

This allowed Netflix to outperform competitors like blockbusters and become a global entertainment leader.

Strategic capability = organisation's ability to:

1

Think Strategically

Understanding how to analyse situations and plan for the future with clear vision and purpose

2

Develop Viable Strategies

Creating realistic and effective strategies that can be implemented and achieve organisational goals

3

Implement Effectively

Executing strategies with good resource management and strong leadership to make plans become reality

4

Adapt to Change

Responding flexibly to environmental changes and adjusting strategies when needed to stay successful

What Shapes Strategic Capability?

Resources & Skills

The resources needed to achieve strategic goals and stay competitive.

This includes technology, equipment, budget, skilled employees, and knowledge for success.



Leadership

Leaders guide teams by making key decisions and inspiring collaboration toward shared goals.

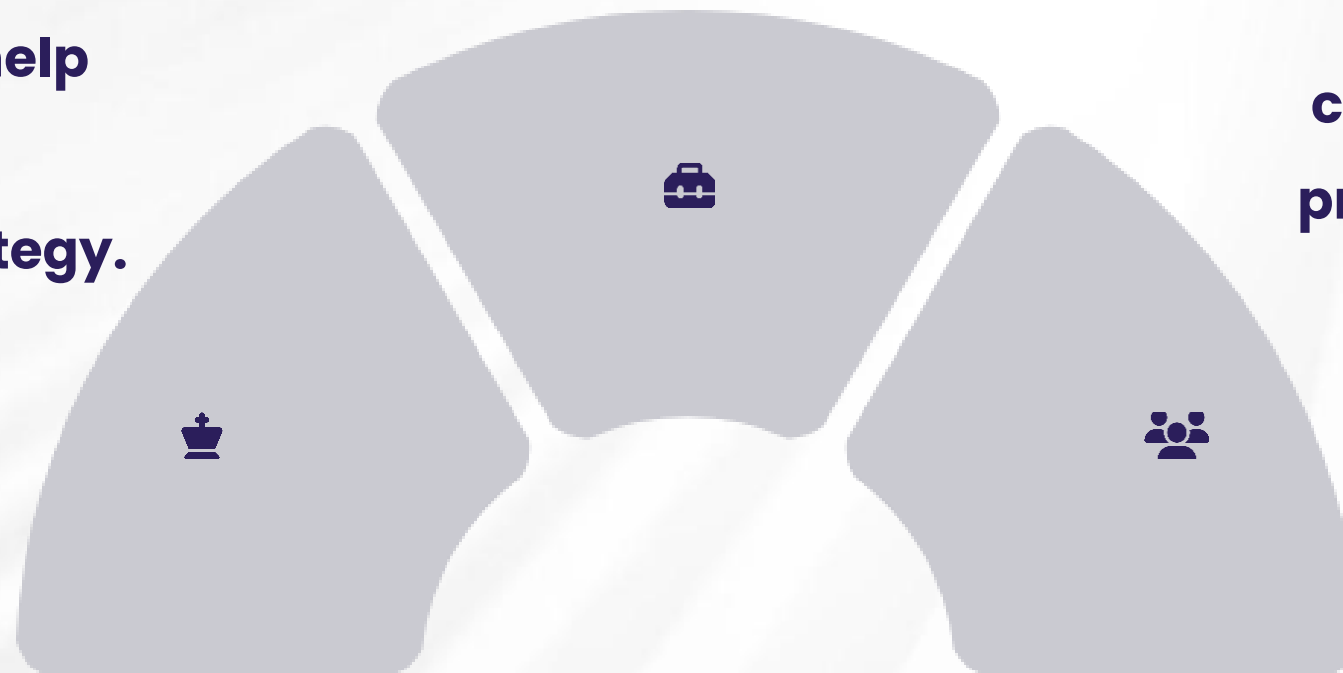
Good leaders think ahead and help everyone understand the organisation's direction and strategy.



Organisational Culture

The shared beliefs, values, and ways working that shape strategic decisions.

Culture shapes how people communicate, collaborate, solve problems, and support each other toward common goals.



What Shapes Strategic Capability? Continued

Decision Making

How we choose what to do and what not to do.

Clear processes help leaders make smart decisions that align with long-term goals and direction



Learning & Innovation

Generating new ideas and learning from experience (good and bad) to improve continuously.

What happens to organisations that lack strategic capability?

What problems might organisations face if they don't have strategic capability?

How does this affect their ability to compete, adapt to change, and achieve their goals?

Discuss with your classmates!

What Happens to Organisations That Lack Strategic Capability?

1 Poor Decision Making

Without strategy, leaders make poor decisions and waste time and money.

2 Loss of Competitive Advantage

Competitors with better strategy win customers and market share.

3 Cannot Adapt to Change

When the world changes, the organisation cannot respond quickly.

4 Employee Confusion

Employees don't know what to do and feel confused and unmotivated.

5 Financial Problems

Poor strategy leads to wasted resources and lower profits.

How to Develop Strategic Capability



Train Leaders

Teach leaders how to think strategically and make wise decisions.

Leaders need training to analyse situations, plan ahead, and understand markets and competitors.



Team Collaboration

Encourage teams to work together and share ideas.

When departments share knowledge, the organisation learns more and makes better strategic decisions.



Data & Analysis

Use data wisely to guide strategic decisions. Collect insights on customers, competitors, and markets.

How to Develop Strategic Capability (Continued)

Learning Culture

Create an environment where people always improve and learn from experience.

Encourage employees to ask questions, try new ideas, and learn from both successes and failures without fear.

Strategic Processes

Use structured tools and methods to make strategy decisions. Examples include scenario planning (imagining different futures) and strategic reviews (checking if strategy is working)

Governance Structures

Set up clear systems that help the organisation stay on track long-term, such as how decisions are made, who is involved in strategy discussions, and who is responsible for following through..

Mintzberg's 10 Schools of Strategy

Henry Mintzberg is a famous business researcher. He studied how organisations make strategies and found 10 different approaches.

These schools help us understand the many ways strategy can be formed. No single school is correct – each has strengths and weaknesses.

1. The Design School

Key Idea

Leaders think carefully before taking action, creating a strategy like an architect designs a building – with a clear plan.

Main Features

- Make the strategy simple and easy to understand.
- Look at company strengths and market weaknesses.
- Senior managers make the plan.

Strengths

- Easy to understand – clear strategy that everyone can follow
- Everyone knows what to do – clear direction and goals

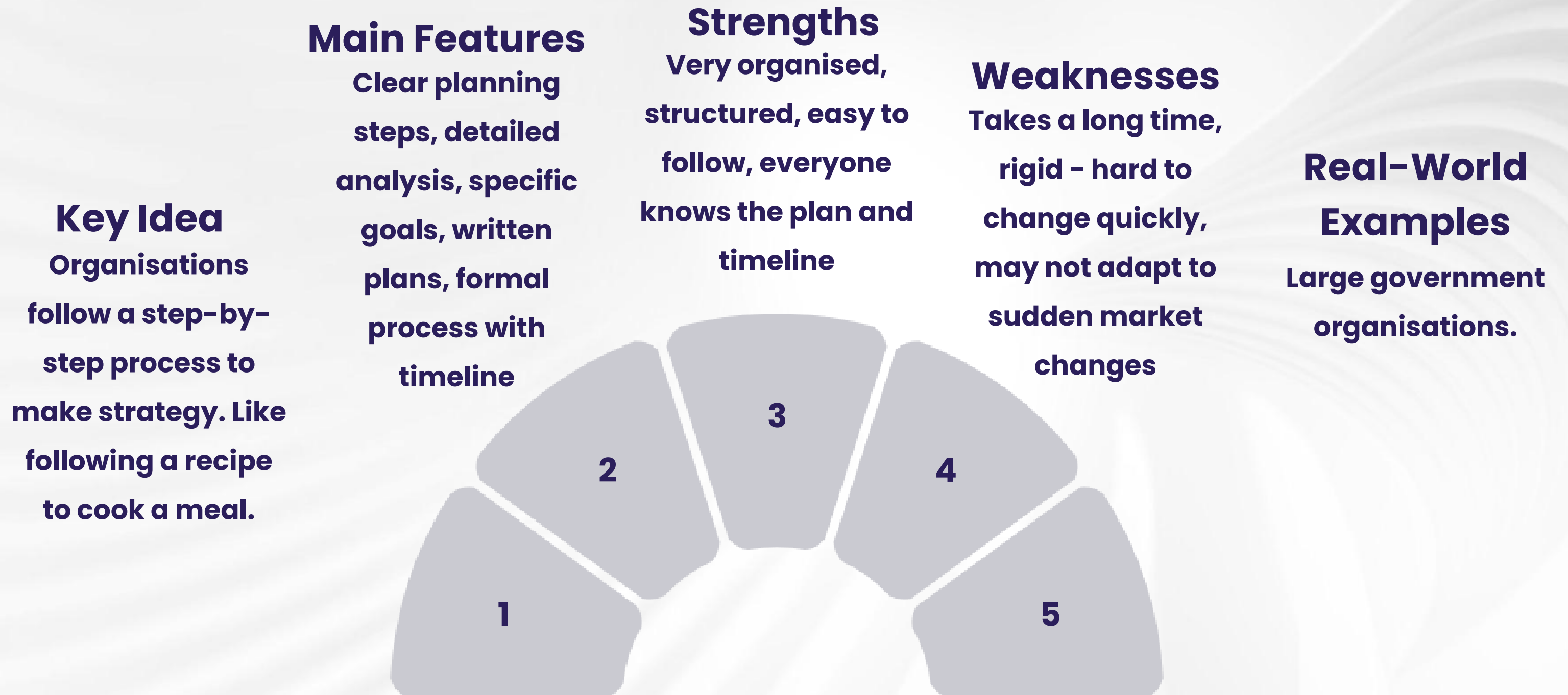
Weaknesses

Real life is complication, and simple plans often break when things change suddenly.

Real-World Examples

A family businesses where one leader designs everything.

2. The Planning School



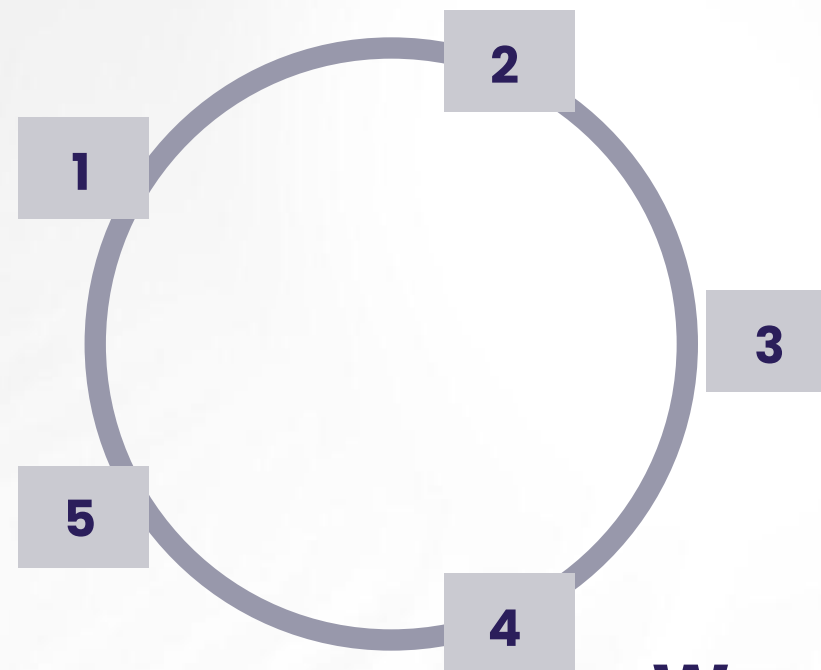
3. The Positioning School

Key Idea

Strategy focuses on analytical positioning – choosing a unique market spot that creates competitive advantage.

Real-World Example

Luxury brands like BMW or Rolex position themselves as premium and exclusive



Main Features

Analyse competitors, understand trends and customer needs, choose a unique niche, and build competitive advantage there.

Strengths

Practical and clear. A focused position makes organisations stand out and helps customers see what makes them unique.

Weaknesses

It takes a lot of analysis and time, and when markets change quickly, the strategy can become outdated and competitors can overtake.

4. The Entrepreneurial School (Descriptive)

Key Idea

Strategy is shaped by one visionary leader. The leader has a bold vision and guides everyone toward it.

Strengths

Fast and flexible. Leader can make quick decisions without long meetings. Good for startups and new businesses.

Real-World Examples

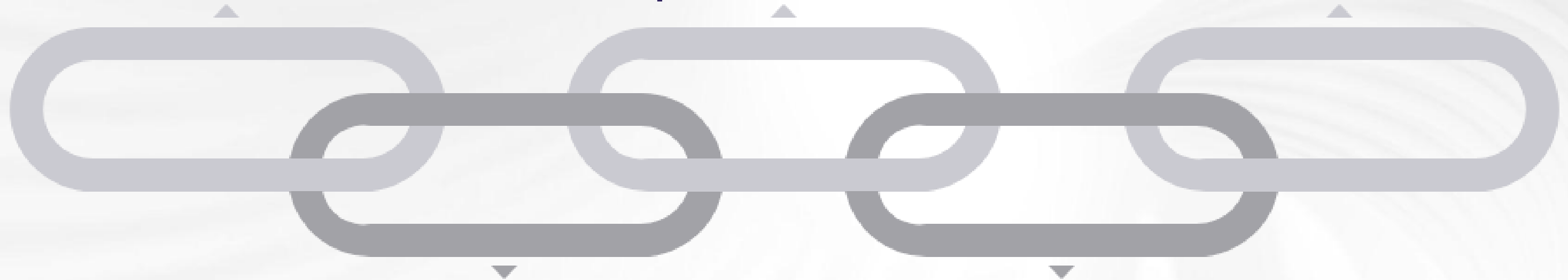
Steve Jobs at Apple, Elon Musk at Tesla, Jack Ma at Alibaba – all shaped their companies with strong vision.

Main Features

Strong leader with clear vision, quick decisions, intuitive thinking, takes risks, adapts to opportunities.

Weaknesses

Depends too much on one person. If the leader leaves, the strategy may fail. Limited teamwork and input.



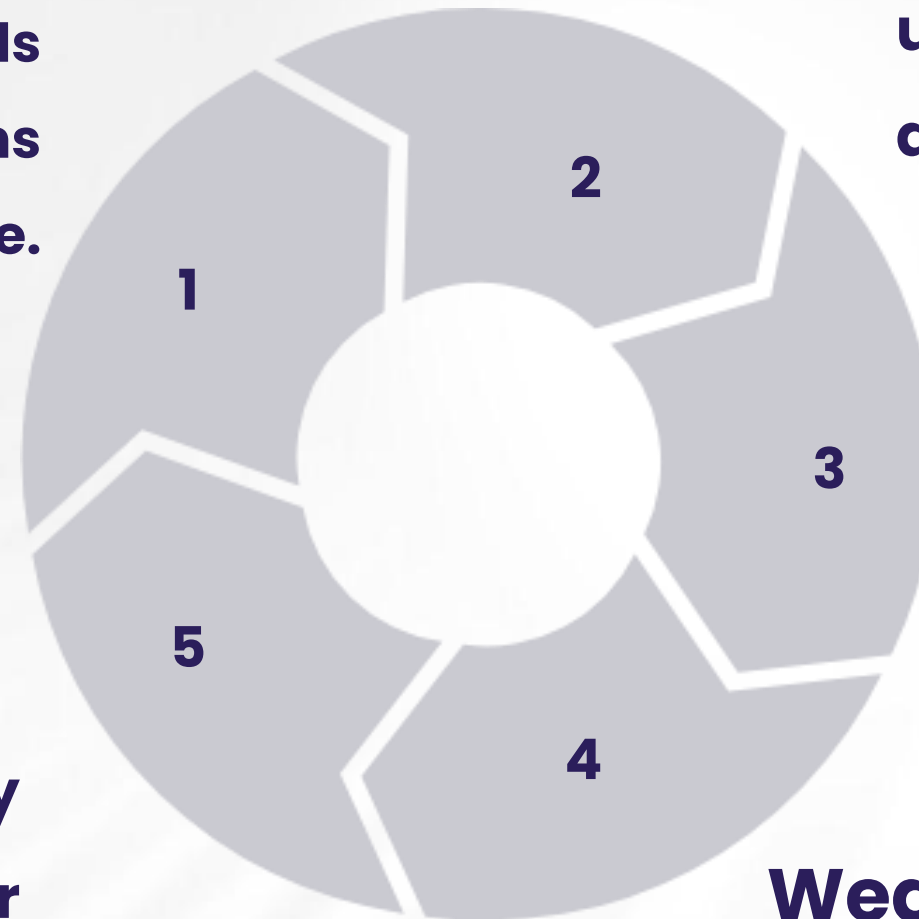
5. The Cognitive School (Descriptive)

Key Idea

Strategy is shaped by how leaders think.
Their experiences and backgrounds influence how they understand situations and the decisions they make.

Real-World Examples

A tech leader may view strategy differently from a banking leader – their past experiences shape their thinking.



Main Features

Leaders' beliefs, thinking styles, and past experiences shape how they understand situations and make decisions.

Strengths

Recognises that everyone thinks differently, which is why different leaders can make different choices in the same situation.

Weaknesses

Hard to predict. Can lead to biased decisions if leaders have limited perspectives or wrong beliefs.

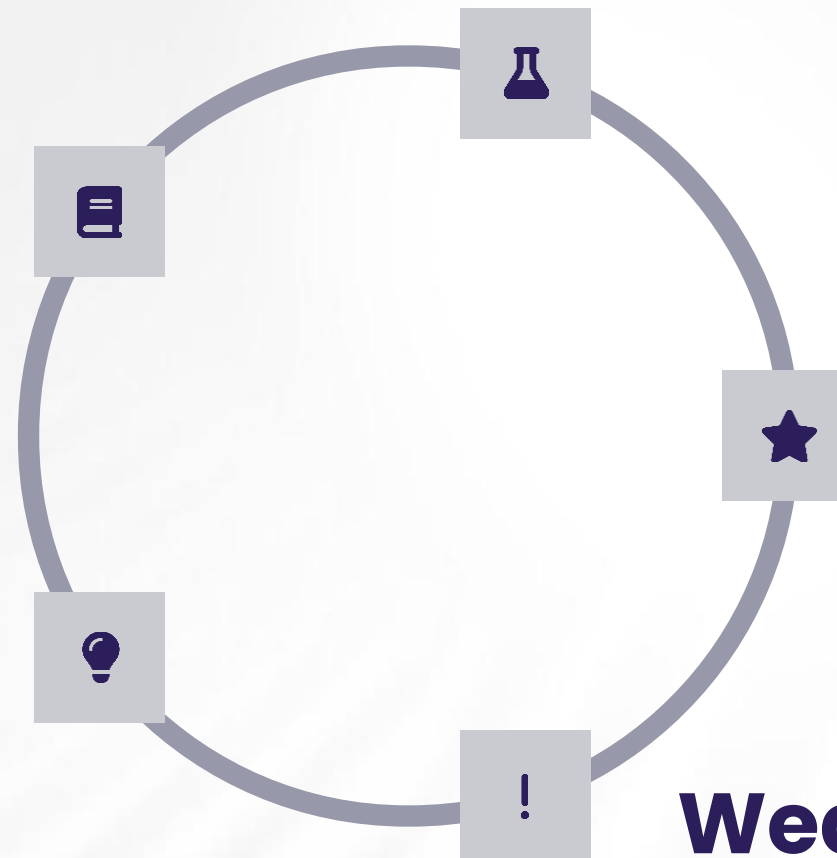
6. The Learning School (Descriptive)

Key Idea

Strategy develops through trying new things and learning from experience. Organisations learn and improve over time.

Real-World Examples

Google's experimentation culture, startups that pivot based on customer feedback, learning organisations.



Main Features

Trying new ideas, learning from success and failure, improving continuously, and changing strategy as we learn.

Strengths

Flexible and realistic. Good for uncertainty. Organisations adapt quickly based on real experience.

Weaknesses

Takes time to learn. May not have clear direction. Risk of making expensive mistakes while learning.

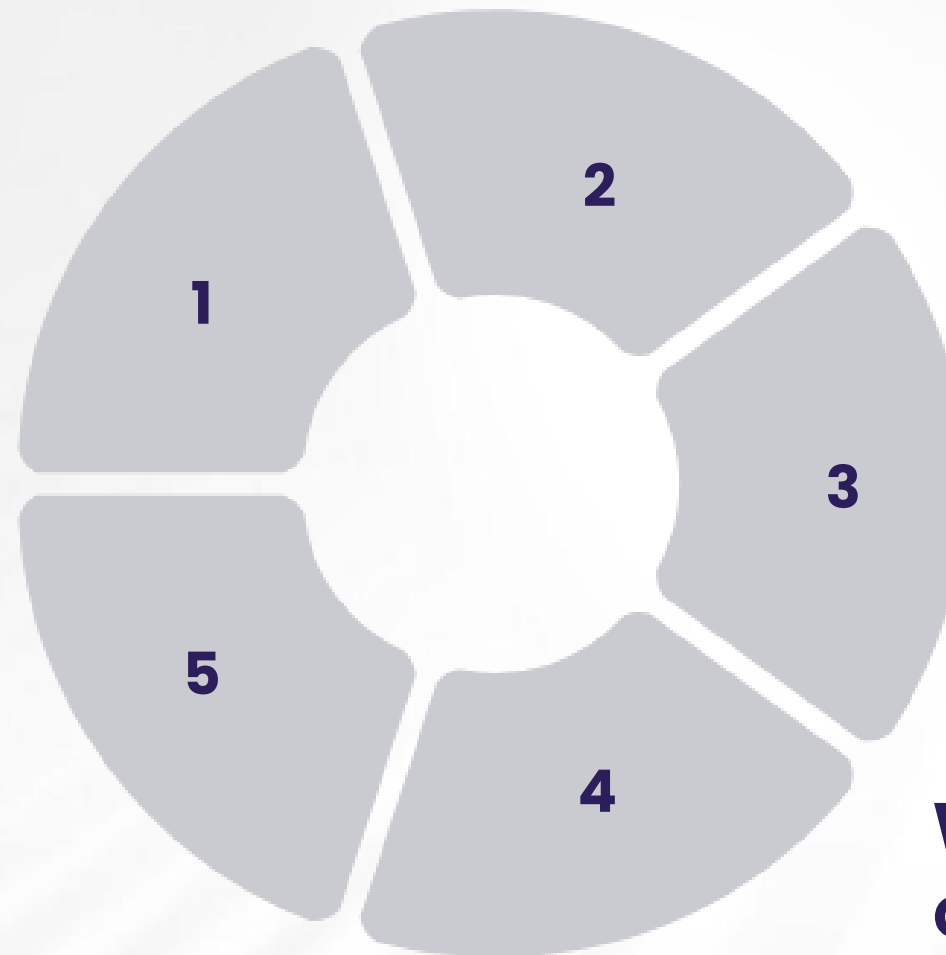
7. The Power School (Descriptive)

Key Idea

Strategy is shaped by negotiation and politics, where different groups compete for power and influence decisions..

Real-World Examples

Large corporations where departments compete for resources and budget.



Main Features

Political negotiation between groups with different interests, leading to power struggles, compromises, and deals.

Strengths

Recognises that organisations have different groups with competing goals, which shows why strategy is not always fully rational.

Weaknesses

Can lead to poor decisions. Focus is on power, not on what's best for the organisation. Strategy may be ineffective.

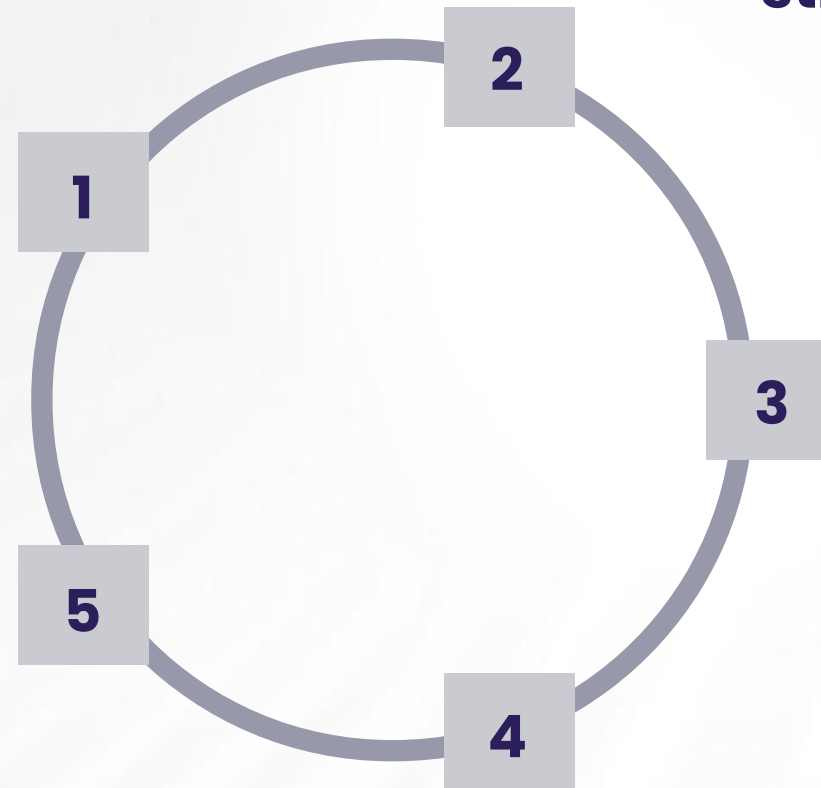
8. The Cultural School (Descriptive)

Key Idea

Strategy is shaped by an organisation's shared beliefs and values. The way people work together and what they care about guides the strategic decisions they make.

Real-World Examples

Companies like Disney (customer focus), Apple (innovation culture).



Main Features

Organisational culture is strong, shared values and beliefs, company traditions influence decisions, history shapes strategy.

Strengths

Culture keeps the organisation together. Employees feel connected and motivated. Strategy aligns with what people believe.

Weaknesses

Strong culture can be hard to change. If the world changes, the organisation may not adapt quickly. Can be too rigid.

9. The Environmental School (Descriptive)

Key Idea

Strategy is shaped by the external forces – markets, competitors, technology, and societal changes. Organisations must adapt their strategies to respond to these changes.



Main Features

External forces shapes strategy. Organisations respond to market changes, and the environment limits what is possible.



Strengths

Realistic view – recognises that external forces matter and helps organisations adapt to real market conditions.



Weaknesses

Organisation is passive and only reacts to changes. It has limited control, may wait too long to respond, and can be slow to adapt.

10. The Configuration School (Integrative)

Key Idea

Organisations go through different stages. Strategy changes as the organisation evolves through each stage.

Integration

This school brings together all other schools. Different approaches work at different times in the organisation's life cycle.

Real-World Examples

Examples include startups becoming established, companies expanding into new markets, and mature orgs reinventing themselves.

Main Features

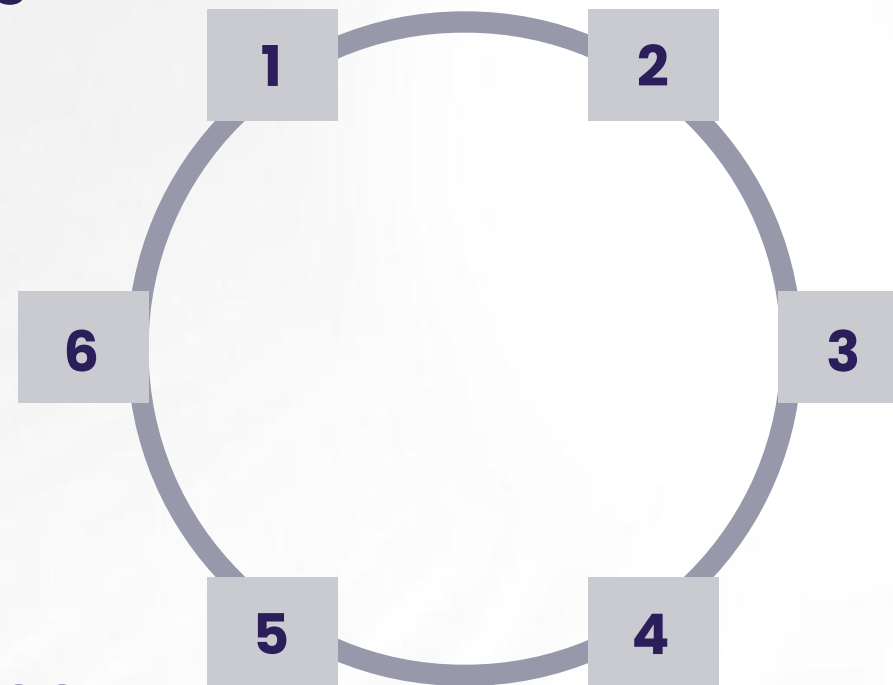
Organisations experience stable period and transformation phases, with different strategies suited to each stage,

Strengths

Realistic – organisations change over time. A strategy that works now may fail later, so it blends deliberate planning with adaptive learning.

Weaknesses

Complex to understand. Hard to know when organisation is moving to next stage. May be difficult to manage during transformation.



Comparing All 10 Schools of Strategy

Each school has a different way of thinking about strategy. Some focus on careful planning (Prescriptive), while others focus on how strategy actually happens (Descriptive). The Configuration School combines both approaches.

School	Type	Key Idea	Strengths	Weaknesses
1. Design	Prescriptive	Leaders design strategy carefully	Simple, clear direction	May oversimplify reality
2. Planning	Prescriptive	Follow step-by-step planning process	Organised, structured approach	Takes time, hard to change
3. Positioning	Prescriptive	Analyse and choose market position	Practical, focused approach	Needs complex analysis
4. Entrepreneurial	Descriptive	One leader with clear vision	Fast, flexible decisions	Depends on one person
5. Cognitive	Descriptive	Strategy shaped by how leaders think	Explains different choices	Hard to predict decisions
6. Learning	Descriptive	Learn and improve through experience	Flexible, adapts to uncertainty	Takes time to learn
7. Power	Descriptive	Strategy through negotiation and politics	Recognises organisational reality	Can lead to poor decisions
8. Cultural	Descriptive	Strategy shaped by company culture	Keeps organisation together	Culture can be too rigid
9. Environmental	Descriptive	Strategy adapts to external environment	Realistic view of market	Organisation can be passive
10. Configuration	Integrative	Strategy changes as organisation evolves	Combines all approaches	Complex to understand

Key Takeaways!

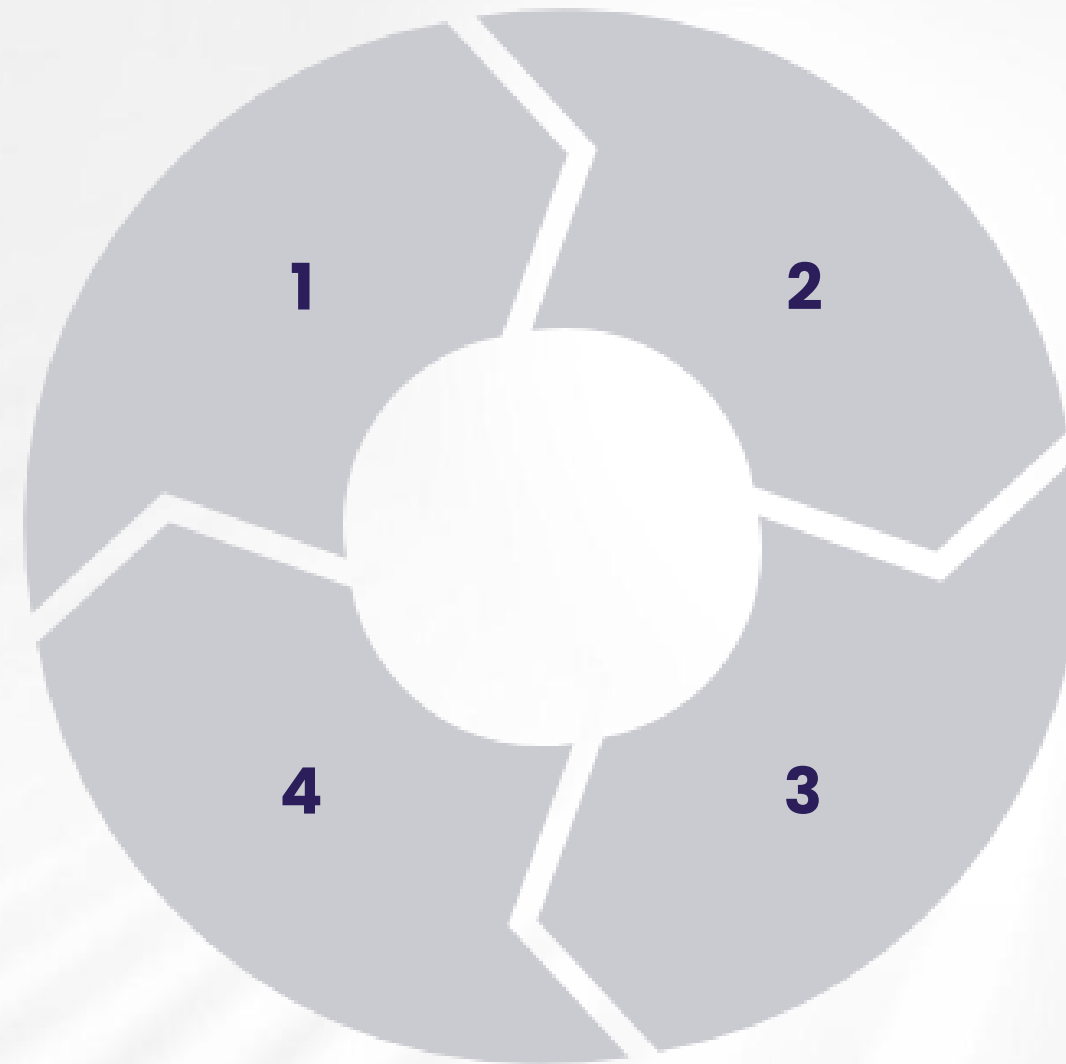
No Single Strategy is Perfect!

Use Different Schools

Use different schools at different times

Always Learning

Strategy is ongoing – always learning and adapting



Switch Approaches

Strong leaders know when to switch approaches

Mix Planning & Flexibility

Mix planning (deliberate) and flexibility (emergent)

Strategy is both an art and a science!

Class Activity: Comparing All 10 Schools

01. Group Discussion

Individually, choose 2–3 schools. Discuss the strengths and weaknesses of your schools, building on the examples in the slides.

02. Real Company Analysis

Choose one company. Which schools of strategy does this company use? Can you justify your reason?

03. Present Your Findings

Be ready to explain why you think that school applies to the company.

Final Takeaways

1

Strategy Matters
Organisations with strong strategic capability achieve their goals, adapt to change, and stay competitive.

2

Many Different Approaches
Mintzberg's 10 schools shows different ways to create strategy – some planned, others evolving over time.

3

No Perfect Answer
No single school of strategy is perfect. Great leaders know when to plan, when to stay flexible, and when to learn from experience.

4

Strategy is Continuous
Strategy is not something you do once. Organisations must learn, adapt, and adjust as the world changes around them.

5

You Can Develop This
Strategic capability is a skill you can develop – practice thinking strategically about decisions and problems.

Lesson Recap



What is Strategy?

Sets direction, establishes goals, allocates resources. Creates competitive advantage and enables long-term success.



Strategic Capability Matters

Leads to greater success, better decisions, more effective change management.



Mintzberg's 10 Schools

3 Prescriptive schools focus on planning. 6 Descriptive schools focus on how strategy happens. 1 Integrative school combines both.



No Single Perfect Strategy

Different approaches work in different situations. Know when to plan, be flexible, collaborate, and learn.



Strategy is Continuous

Organisations must adapt and learn as markets change. Strategic thinking is a skill you can develop.

Week 3

Strategy, Environment & Competitive Advantage

Further Reading

- Ansoff, I. (1987) *Corporate Strategy*. Revised edn. Penguin Books.
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**If you have any questions, please
do not hesitate to get in touch.**

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