

**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD  
(Commonwealth MBA / MPA Programme)**

**STRATEGIC MANAGEMENT (5574)**

**CHECK LIST**

**SEMESTER: SPRING, 2014**

This packet comprises the following material:-

1. Text Book
2. Assignment No. 1, 2
3. Assignment Forms (two sets)
4. Course Outline

In this packet, if you find anything missing out of the above mentioned material, please contact at the address given below:

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**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD  
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**WARNING**

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
2. **SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".**

**Course: Strategic Management (5574)**  
**Level: Executive MBA/MPA**

**Semester: Spring, 2014**

**Instructions:**

- a) All written assignment must be well organized, presented in an easy-to-read format and neat. Moreover, pay particularly close attention to grammar, spelling, punctuation and understandability. Communication is extremely important in this course.
- b) Documentation is likewise very important. Un-supported statements or opinions are worth less to the reader, who desires to verify your finding. Complete and specific documentation is mandatory. Also, your reference should be to primary sources, except in rare unusual situation.
- c) Quoting should be kept to an absolute minimum.

**Guidelines for Doing Assignments**

We expect you to answer each question as per instructions in the assignment. You will find it useful to keep the following points in mind:

1. **Planning:** Read the assignments carefully, go through the Units on which they are based. Make some points regarding each question and then rearrange them in a logical order.
2. **Organization:** Be a little selective and analytical before drawing up a rough outline of your answer. Give adequate attention to question's introduction and conclusion.
  - a) The answer is logical and coherent,
  - b) It has clear connections between sentences and paragraphs,
  - c) The presentation is correct in your own expression and style.
3. **Presentation:** Once you are satisfied with your answer, you can write down the final version for submission. It is mandatory to write all assignments neatly. If you so desire, you may underline the points you wish to emphasize. Make sure that the answer is within the stipulated word limit.

## **ASSIGNMENT No. 1**

**(Total Marks: 100)**

- Q.1 Competitive race, fitness and stretch and organizational adaptability and flexibility are one of the key perspectives in designing the strategic management process, elaborate them in detail. (20)
- Q.2 In your view, an organizations should keep on changing its Vision and the Mission after a specific period of time or should it be remain unchanged across the successive stages in an organization or industry lifecycle? Under what circumstances Vision and the Mission should be reexamined in depth? (20)
- Q.3 The strategy equation consists of the set of statements that define the strategic positioning of an organization. Explain the function and composition of the strategy equation with example from local environment. (20)
- Q.4 “The organization’s goals are the crucial element in strategic management- without goals, the management function for an organization lacks direction and coherence”. Explain. (20)
- Q.5 At the extremes, both low and high, environmental complexity, stability and certainty all offer opportunities as well as threats. A high level of complexity offers both confusion as well as rich variety of choice, while a low level of stability offers both insecurity of growth as well as rewards for risk taking. Explain how an organization determines its best point of balance in Environmentally extreme conditions? (20)

## **ASSIGNMENT No. 2**

**(Total Marks: 100)**

### **Instructions:**

1. This Assignment is a research-oriented activity. You are required to develop a term paper and submit to the tutor for evaluation prior to the final examination. The last date of this assignment will be notified separately by our directorate of regional services and the same will be communicated to you directly as well as through approved study centers assigned to you.
2. You will have to participate in the activity fully, actively and practically to be eligible to sit in the final examination of the course.
3. For the preparation of this assignment, you should first thoroughly review the conceptual framework of the topic and develop a scholarly material of the same giving references, quotations and extracts of various scholars and experts. Then visit any business/commercial organization and study the relevant practical aspects there. Combining the theoretical and practical aspects, develop a comprehensive paper consisting of at least 20 to 25 typed pages to be submitted to your tutor.
4. Prepare a copy of this assignment and submit to your tutor for your evaluation.

5. You should prepare the transparencies, charts or any other illustrative material for effective presentation.
6. If you fail to submit this assignment in the class, then you will not be able to sit in the final examination conducted by AIOU.

### **Requirement**

You are required to select an organization of your own choice, find out the problematic situation or dilemma relevant to your subject in that organization, which may be current or happened in past. After highlighting the problem, design a case study upon the dilemma of that organization. Guidelines to design case study are attached herewith. Read carefully the guidelines and formulate case study strictly following these.

### **Guidelines to Develop a Case Study**

#### **What a Case study is?**

A case study is written summary or syntheses of real-life cases based upon data and research. It suggests a story with a beginning, middle and end. It is a challenge with a result or a problem with a solution. Approach to design case study is:

- **Challenge**
- **Solution**
- **Result**

Case studies identify appropriate strategies for the resolution of dilemma of the case. Case study is a part of effective knowledge management. It is specific and easily digestible story format which comes up with a solution. Case study is the practical implication of business studies. It enriches your exposure to field work and your managerial and executive expertise to handle organizational issues.

#### **Business case study**

To summarize real-life business scenarios, a problem occurring in organizational setup or a dilemmatic situation, leading to operational misconduct and inefficiency in organizations is business case study. The issue may be from any field like finance, HRM, Management, Strategic Management, Production, Marketing and General Operations etc.

#### **Case Study Layout**

- Title page
- Abstract
- Introduction
- Major characters
- Company/organizational background
- Industry profile/context
- Dilemma of case/ Storyline/ Case Presentation
- Management Outcome
- Conclusion

- Discussion
- Exhibits
- Acknowledgement
- References

**Title page:**

The title page will contain the full title of the case study. A title must not be vague or non-specific because it may not attract readers' attention. The two most common formats of titles are nominal and compound. A nominal title is a single phrase, for example "A case study of hypertension which responded to spinal manipulation." A compound title consists of two phrases in succession, for example "Response of hypertension to spinal manipulation: case study" Keep in mind that title of articles average between 8 and 9 words in length.

**Abstract:**

An abstract consists of a short version of the whole paper. There are no headings within the abstract. The author simply tries to summarize the paper into a story which flows logically.

**Introduction**

The introduction is where we convey case study to the reader. It is useful to begin by placing the study in a historical or social context. If there is something especially challenging about the diagnosis or management of the condition that we are describing, now is our chance to bring that out. Introduction doesn't need to be more than a few paragraphs long, and the objective is to have the reader understand clearly, but in a general sense, why it is useful for them to be reading about this case. Avoid using jargons specifically in introduction. Introduction should create a dramatic interest.

**Major characters**

In the case there are assumed characters around whom the whole story revolves. Dilemma is made easy to understand through these characters. Select your characters with their names and designations.

**Company/organizational background**

Reporting of background should be very selective. It is not the history of the whole organization but a history that relates to the problem or decision. Avoid evaluating or misleading descriptions. Information about the organization should shed light on the problem.

**Industry profile/context**

Industry profile gives the details of the context within which the organization operates with pressures, threats, laws, information on competitors and other external factors that impact the organization.

**Case Dilemma/ Storyline/ Presentation:**

This is the part of the case in which we introduce the raw data. First, describe the complaint that brought the situation to you. Next, introduce the important information that is obtained from history-taking. There is no need to include every detail – just the information that helped to settle on diagnosis. Also, try to present dilemma information in a narrative form – full sentences which efficiently summarize the results of questioning. The next step is to describe the results of our clinical examination. Again, we should write in an efficient narrative style, restricting ourselves to the relevant information. It is not necessary to include every detail in our clinical notes. Also, you should describe the actual results, since not all readers will have the same understanding of what constitutes a “positive” or “negative” result. Dilemma is the main problem or the main motive to write up a case so it should be logical, clearly narrated, well structured and very near to reality. It must not be self created or assumption based. The case must realistically grapple with the problem and appreciate the complexity of decision making in the real world. It is also important that case does not contain holes that are manipulative and that lead readers to feel that games are being played with them. A balance must be attained between giving enough material to make informed choice or decision, but not so much material that the answer is given away.

**Management and Outcome**

In this section, we should clearly describe the plan for settlement of the situation and the outcome. It is useful for the reader to know what types of remedial actions have been taken. Additionally, you should be as specific as possible in describing the remedial action that was used. If some techniques have been used you are required to elaborate clearly those techniques. Remember that our case study may be read by people who are not familiar with managerial techniques.

**Conclusion**

Here the problem and options for consideration are restated but the decision point is open for students to resolve. The case should never end with a ‘yes’ or ‘no’ or ‘right’ or ‘wrong’ answer. The conclusion should create tension and suggest options for the readers. Successful cases have no definite conclusions.

**Discussion**

In this section identify any questions that the case raises. It is not compulsory to provide a complete physiological explanation for everything that is observed. We summarize the lessons learned from this case.

**Exhibits**

If you have used any tables, figures or photographs, they should be accompanied by a succinct explanation. Tables, figures and photographs should be included at the end of the case. Exhibits are the supporting supplementary material of the data given in the whole case study. The purpose of each exhibit should be very clear. If an exhibit has been used in the case, it should be very simple and clear. These are used to simplify and clarify the next of the case and to help with resolution of dilemma and the making of decision.

### **Acknowledgements**

If someone provided assistance with the preparation of the case study, thank them briefly. It would generally be regarded as excessive and inappropriate to thank others, such as teachers or colleagues who did not directly participate in preparation of the case.

### **References**

Only use references that you have read and understood and actually used to support the case study. Do not use more than approximately 15 references without some clear justification. Try to avoid using textbooks as references, since it is assumed that most readers would already have this information. Also, do not refer to personal communication, since there is no way of checking this information.

### **Types of case study**

#### **Types on the basis of structure**

- **Open ended case study**  
The case studies having no questions at the end are open ended case studies. These case studies are end up with a tense situation for readers. Readers themselves draw the questions and find solution to dilemma.
- **Close ended case study**  
Close case studies ending up with questions are close ended case studies. These are the most common types of case studies. These are easy to find solution for readers. The questions are drawn on the basis of dilemma and storyline of case.

#### **Types on basis of subject matter**

##### **Exploratory case study**

An exploratory case study is the type of case study where the researchers or case study designer wants to explore some unexplored. Where considerable uncertainty exists about program operations, goals and results, the exploratory case study is designed to identify questions, select measurement constructs and develop measures.

##### **Program implementation case study**

A program implementation case study helps discern whether implementation complies with intent. This case study may also prove useful when concern exists about implementation problems. Extensive, longitudinal reports of what has happened over time can set a context for interpreting a finding of implementation variability.

##### **Program effects case study**

Program effects case studies can determine the impact of programs and provide inferences about reasons for success or failure. As with the program implementation case study, the evaluation questions usually require generalizability and for a highly diverse program, it may become difficult to answer the questions adequately and retain a manageable number of sites. But methodological solutions to this problem exist. After indentifying findings of specific interest, researchers may then implement case studies in selected sites to maximize the usefulness of the information.

**Company field cases**

These cases are developed in cooperation with the participating company, have company approval and are the most common types of cases.

**Individual field cases**

These cases focus upon specific individuals e.g. role of a woman in NGO leadership.

**General experience cases**

These cases are written on the basis of case writer's knowledge, a story is invented. Generally these cases are simple. Complex cases demand a real organization.

**Published information cases**

These cases are derived from published sources such as newspapers, research reports, journals etc. and as such, must contain extensive footnotes. It must be made clear that such cases have been written up based on published sources. In these cases there is no need for company release.

There are many other types of case studies in practice. You can work any of them but your work should be very logical and well structured. Nothing must be vague leading to wastage of time and efforts.

**Important Points**

- Write in past tense
- Direct quotes are written in present tense
- Avoid jargon
- Logically structured
- Free of grammatical errors
- Define technical terms if not common
- Avoid adjectives and adverbs
- Avoid ambiguities and inconsistencies
- Refer to actors by last name consistently
- Do not capitalize position titles
- Number all exhibits and refer to them in text
- Writing should be clear, concise and accessible
- Cases should be between 1500-3000 words in length

**Important Note**

You are advised to structure your case study in close ended structure having questions at the end.



## **COURSE OUTLINES**

### **Strategic Management (5574)**

#### **Block-1: Introduction to Strategic Management**

1. The Nature of Strategic Management
2. The Value of Strategic Management
3. Key Perspectives on Strategic Management
  - 3.1 The Competitive Conditioning
  - 3.2 Positioning
  - 3.3 Conditioning
  - 3.4 Organisational Fit and Stretch
  - 3.5 Organisational Adaptability and Flexibility
  - 3.6 Evolutionary Processes: Life Cycles, Strategy, and the Passage of Time
  - 3.7 Strategy Integration: the Woods and the Trees
  - 3.8 Strategy Integration and Resource Deployment
  - 3.9 Organisational Capacity for Change
4. Strategy Formation
  - 4.1 Strategy Models and Schools of Thought
  
  - 4.2 An Overview of Prescriptive Views
    - 4.2.1 The Design School
    - 4.2.2 The Planning School
    - 4.2.3 The Positioning School
  - 4.3 An Overview of Process Views
    - 4.3.1 The Entrepreneurial School
    - 4.3.2 The Cognitive School
    - 4.3.3 The Learning School
    - 4.3.4 The Political School
    - 4.3.5 The Cultural School
    - 4.3.6 The Environmental School
    - 4.3.7 The Configuration School

#### **Block-2: Managing the Strategy Cycle**

1. Introduction to Strategic Management and Planning Cycle
  - 1.1 Defining Strategic Management and Planning Cycle
    - 1.1.1 The Conditionals
    - 1.1.2 The Data Base
    - 1.1.3 Analyticals
    - 1.1.4 Outputs and Outcomes
    - 1.1.5 The Metrics
2. Managing the Strategy Setting Process
  - 2.1 Strategy and Decision Making
  - 2.2 The Integration of the Organisational 'Vision' with the 'Self' Vision

- 2.3 Strategy and Change
- 2.4 Strategy and Evolution
- 2.5 Strategy and the Planning Horizon
- 2.6 Planning Horizons
- 2.7 Planning Horizons
- 3. Planning and Performance
  - 3.1 Goal Measurement
- 4. Formality and Planning
  - 4.1 The 'Practice' of Strategic Management
- 5. The Role of Strategy Related Policies and Procedures
- 6. Organisational Levels and Strategic Planning Roles
  - 6.1 Strategy Roles and Job Positioning

**Block-3: The Strategy Equation**

- 1. Introduction to Strategy Equation
  - 1.1 Defining Strategy Equation
  - 1.2 Mapping the Strategy Equation
- 2. The Mission
  - 2.1 Examples of How Organisations Can Define Themselves
    - 2.1.1 In terms of the products/services being provided
    - 2.1.2 In terms of the dominant characteristic or principal ingredient in their products
    - 2.1.3 In terms of the technology which spawns the product
    - 2.1.4 In terms of the customer groups being served
    - 2.1.5 In terms of a specific product/service aimed at a specific buyer segment
    - 2.1.6 In terms of customer needs and wants being met
    - 2.1.7 In terms of the scope of activities within an industry –specialised, each providing a defined type of service or function
    - 2.1.8 In terms of creating a diversified enterprise which engages in a group of related businesses
    - 2.1.9 In terms of creating a multi-industry portfolio of unrelated
- 3. Goals
- 4. Objectives
- 5. Policies

**Block-4: The Strategy Landscape**

- 1. Induction to Strategy Landscape
  - 1.1 Defining "Strategy Landscape"
  - 1.2 Mapping the Strategy Equation to the Environmental Landscape
  - 1.3 Industrial Landscapes
- 2. The Environmental Landscape

- 2.1 Spheres of Influence
- 3. Contrasting Industry and Societal Environments
  - 3.1 Industry
  - 3.2 Societal
  - 3.3 Sourcing Cycle
- 4. The Organisation and its Environment
  - 4.1 The organisational life cycle and environmental linkages
  - 4.2 Organisation-Environment Fit
  - 4.3 Organisation-Environment Boundary
    - 4.3.1 The Organisation and Rates of Environmental Change
    - 4.3.2 The Industry Environment
    - 4.3.3 The Societal Environment
    - 4.3.4 Economic Conditions
    - 4.3.5 Sociocultural-Demographic Trends
    - 4.3.6 Technological Change
- 5. The Organisation in its External Environment
  - 5.1 Stability
  - 5.2 Certainty
  - 5.3 Complexity
  - 5.4 Homogeneity
- 6. External Environments and Organisation to Boundary Relationships
  - 6.1 The Information Framework
  - 6.2 Cause-Effect Relationships
  - 6.3 Organisational Boundaries and Environmental Scanning
- 7. Additional Ways of Thinking about the Environment
  - 7.1 Thinking of Organisation/Environment Relationships
  - 7.2 Thinking in System Terms

**Block-5: Organisational Analysis**

- 1. Introduction to Organisational Analysis
- 2. The 'Inside to Outside, Outside to Inside' Perspective
- 3. Defining the Organisational Equation
  - 3.1 From the Structural Perspective
- 4. The Process and Value Chains
  - 4.1 Linking Outputs, Outcomes, and Organisations
  - 4.2 Linking the Process Chain to the SWOT
  - 4.3 Linking the Organisational Process Chain to Organisational Key Analysis
  - 4.4 Linking the Process Chain to Critical Success Factors
  - 4.5 Linking the Process Chain to Core Competencies

**Block-6: Strategic Analysis and Choice**

1. Introduction to Strategic Analysis
2. SWOT approaches to Strategy Analysis
  - 2.1 Organisational Variables
  - 2.2 Relational Analyses
  - 2.3 SWOT as a Database of Analysis
  - 2.4 Critical Success Factors
3. The Generic approach to Strategy Analysis
  - 3.1 Generic Strategy in the Value Chain
4. The Stakeholder and Output/Outcome approach
5. Envisioning Strategy

**Block-7: The Industry Environment**

1. Introduction to the Industry Environment
2. The Life Cycle approach to Industry Analysis
  - 2.1 The Product/Market Life Cycle
  - 2.2 The Organisational Life Cycle
  - 2.3 The Industry Life Cycle
    - 2.3.1 Sunrise
    - 2.3.2 Sunset
3. The Competitive Forces approach to Industry Analysis
4. The Patterns of Competitive Force in the Value Chain
5. Competitive Structure of the Industry
  - 5.1 The players and the playing field
  - 5.2 The shift from revenue growth to cost
6. Barriers to Entry
  - 6.1 Economies of Scale
  - 6.2 Product Differentiation
  - 6.3 Capital Requirements
  - 6.4 Access to and Control over Distribution Channels
  - 6.5 Cost Disadvantages independent of scale
    - 6.5.1 Proprietary product technology
    - 6.5.2 Favourable access
    - 6.5.3 Favourable location
    - 6.5.4 Learning or experience
    - 6.5.5 Government policy
7. Barriers to Exit
  - 7.1 Specialised Assets
  - 7.3 Strategic Interrelationships
  - 7.4 Emotional Barriers
  - 7.5 Government and Social Restrictions
  - 7.6 Industry Analysis

**Block-8: Strategy Implementation and Control Processes**

1. Introduction Strategy Implementation and Control Processes
2. Financial Ratio Analysis
  - 2.1 Performance Ratios
  - 2.2 Cost Ratios
  - 2.3 Efficiency Ratios
3. The Balanced Scorecard
4. Critical Success Factor Measurement
5. Key Theories
  - 5.1 Agency Theory
  - 5.2 Stewardship Theory
  - 5.3 Principles of Corporate Governance
    - 5.3.1 Protection of Shareholder Rights
    - 5.3.2 Equitable Treatment
    - 5.3.3 Stakeholder Rights
    - 5.3.4 Timely and Accurate Disclosure
    - 5.3.5 Strategic Guidance