

Course unit title:	Business Policy and Strategic Management		
Course unit code:	ABSO307		
Type of course unit:	Business Elective		
Level of course unit:	Bachelor (1 <sup>st</sup> cycle)		
Year of study:	4 <sup>th</sup>		
Semester when the unit is delivered:	7 <sup>th</sup> or 8 <sup>th</sup> semester		
Number of ECTS credits allocated:	6		
Name of lecturer(s):	Dr. Nina Gorovaia-Zeniou, Dr. Stavros Georgiades		
Learning outcomes of the course unit:	<p>Understand the benefits of strategic management</p> <p>Use the strategic audit as a method of analysing corporate functions and activities.</p> <p>Describe the role and responsibilities of the board of directors in corporate governance</p> <p>Understand how the composition of the board can affect its operation</p> <p>Conduct a stakeholder analysis</p> <p>Use tools for analysing a company environment (SWOT analysis)</p> <p>Conduct an industry analysis to understand competitive forces that influence the intensity of rivalry within an industry</p> <p>Generate strategic options by using TOWS matrix</p> <p>Understand the competitive and collaborative strategies available to corporations.</p> <p>Understand the growth, stability, and retrenchment strategies.</p>		
Mode of delivery:	Face-to-face		
Prerequisites:	ABSO204	Co-requisites:	None
Recommended optional program components:	None		
Course contents:	<p>Chapter One. Basic Concepts</p> <p>Phases of strategic management. Benefits of strategic management.</p> <p>Globalization and environmental sustainability as challenges to strategic management. Theories of organizational adaptation. The learning organization. Basic model of strategic management. Triggering events initiating strategy. Mintzberg's modes of strategic decision making. Strategic decision making process. The strategic audit.</p> <p>Chapter Two. Corporate Governance.</p> <p>Responsibilities of the board of directors and its role in strategic management. Composition of the board of directors. Agency theory versus stewardship theory. Codetermination and interlocking directorates. Executive leadership and the importance of strategic vision.</p> <p>Chapter Three. Ethics and Social Responsibility.</p> <p>Positions for and against social responsibility. Importance of corporate stakeholders and stakeholder analysis</p> <p>Chapter Four. Environmental Scanning and Industry Analysis</p> <p>Environmental scanning. Identifying external strategic factors.</p> <p>Industry analysis, including industry evolution, strategic groups, and hypercompetition. Forecasting techniques, including industry scenarios.</p>		

#### Chapter Five. Internal Scanning: Organizational Analysis

Core and distinctive competencies and VRIO framework. Business models.

Industry and corporate value-chain analysis. Basic concepts in organizational structure and culture.

#### Chapter Six. Strategy Formulation: Situation Analysis and Business Strategy

Identifying a corporation's strategic factors using the SFAS Matrix.

Using the TOWS Matrix to generate potential strategic alternatives.

Using the competitive strategies of lower cost and differentiation.

Competitive strategy, industry structure, and hypercompetition.

The use of offensive and defensive competitive tactics.

Using the cooperative strategies of collusion and strategic alliances.

#### Chapter Seven. Strategy formulation: corporate strategy.

Directional strategy is composed of growth, stability, and retrenchment strategies.

Growth strategies: concentration in one industry via vertical or horizontal growth as well as growth outside of the industry via concentric and conglomerate diversification.

Stability strategies: pause/proceed with caution, no change, and profit.

Retrenchment strategies: turnaround, captive company, sell off/divestment, and bankruptcy/liquidation.

Two popular types of portfolio analysis: the BCG Growth-Share Matrix and the GE Business Screen.

Corporate parenting strategy.

Horizontal corporate strategy as a way to deal with multipoint competition.

#### Chapter Nine. Strategy Implementation: Organizing for Action

This chapter begins by specifying who implements strategy and what must be done: programs, budgets, and procedures. It proposes a Matrix of Change to assess the impact new programs will have on an organization's current activities. It stresses the importance of finding synergy among organizational activities. The rest of the chapter emphasizes organizing activities by looking closely at the design of organizations and jobs. Chandler's proposition that structure follows strategy is explained in terms of stages of corporate development. The chapter also explains the organizational life cycle and what happens when corporations go into decline. Building on the discussion of basic organization structures in Chapter 5, this chapter presents three advanced designs of the matrix, the network (or cluster), and the cellular/modular structure. Reengineering, six sigma, and job design are explained as implementation methods. The chapter ends with a discussion of international issues in strategy implementation.

#### Chapter Eleven. Evaluation and Control

This chapter examines the final segment of strategic management - the evaluation of performance and the control of work activities. Beginning with a basic five-step feedback model, measures of corporate, divisional, and functional performance are described. Activity-based costing and enterprise risk management are explained. Advantages and limitations of ROI, ROE, and EPS as performance measures are listed. Economic Value Added (EVA) and Market Value Added (MVA) are proposed as measures of shareholder value. The balanced scorecard is explained. Responsibility centers are suggested to pinpoint performance in various parts of the corporation. Benchmarking is discussed as a way to compare a company's

	products, services, and practices with industry leaders. The chapter also discusses transfer pricing and information systems in controlling international activities and processes. The chapter explains two of the most frequent negative side effects of the monitoring and measuring of performance activities - a short-term orientation and goal displacement. Guidelines are presented to help keep the likelihood of occurrence of these negative side effects to a minimum. Long-term incentive plans are also recommended to better link compensation to strategic performance.
Recommended and/or required reading:	Thomas Wheelen and David Hunger (2018) Strategic Management and Business Policy 15 <sup>th</sup> Edition, Pearson, Prentice Hall.
Textbooks:	Thomas Wheelen and David Hunger (2018) Strategic Management and Business Policy 15 <sup>th</sup> Edition, Pearson, Prentice Hall.
References:	Thompson and Strickland, Strategic Management: Concepts and Cases, the latest edition, McGraw Hill. Robert Grant, Contemporary Strategy Analysis. 6 <sup>th</sup> Edition, Blackwell Publishing.
Planned learning activities and teaching methods:	Analysis of case studies with lecturer as a moderator, discussions, movies, assignments. Power point presentations used in class, lecture notes, some of the case studies are available to the students on the e-learning platform.
Assessment methods and criteria:	Midterm exam 20% Assignments 20% Final exam 60%
Language of instruction:	English
Work placement(s):	None