

## **«Methods and models of strategic development of the organization»: Discipline Program**

**Утверждена**

**Академическим советом ООП  
Протокол № 3 от 29.08.2018 г.**

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<b>Course credits</b>	4
<b>Contact work (h.)</b>	56
<b>Self-preparation (h.)</b>	96
<b>Course</b>	4 <sup>th</sup> course
<b>Format</b>	Without online-course

### **I. COURSE AIM, OUTCOMES AND PREREQUISITES**

The purpose of mastering the discipline "Methods and models of strategic development of the organization" is the formation of professional skills and abilities in the field of strategic development of the organization, development of a systemic view of business, obtaining knowledge of classical and modern models of the organization's strategic development. Training is based primarily on interactive teaching methods; traditional lectures constitute a small part of the course.

At the completion of the course requirements, the student will be able to:

- Present the theoretical and empirical fundamentals of strategic management, modern frameworks and methods of strategic planning, development, and strategy implementation;
- Identify and assess opportunities in different areas of business;
- Identify ways to create and sustain competitive advantage;
- Identify the main problems of strategic development and tools to avoid serious mistakes in the implementation of strategic management activities;
- Assess the capabilities of the internal and external environment of the organization in order to craft and adjust the strategy;
- Determine the applicability of frameworks, methods and models for the strategic development of the organization under different conditions;
- Formulate strategic development decisions and assess their effectiveness and the associated risks.

Recommended prerequisite:

- Management Theory and History,
- Strategic Management

At the completion of the course requirements, the student will acquire the following competences:

- Able to critically evaluate and re-evaluate the accumulated experience (own and foreign), to reflect professional and social activities;
- Able to propose organizational and managerial decisions and assess the conditions and consequences of decisions made;
- Able to collect, analyze and process the data needed to solve the research tasks.

The main provisions of the discipline should be used for studying the following disciplines:

1. Organizational Development;
2. Strategies in Management;
3. Modern Methods and Technologies of Strategic Management;

## II. DISCIPLINE CONTENT

### **Topic 1. Recognizing and Shaping Opportunities**

Difference between business idea and business opportunity, defining business/entrepreneurial opportunity. 3 steps in opportunity recognition and shaping. Iterations vs sequence and the concept of MVP. Value creation and stakeholders. Types of thinking in recognizing market opportunities. The concept of “creativity” in business and discovery skills. Shaping opportunity through crafting appropriate business model, business model (BM) definition. Sample frameworks for analyzing areas of strategy decision. Revenue sources, cost drivers, investment size, critical success factors. Strategic growth options. Identifying required resources and capabilities. Sample frameworks for assessing one’s resources and capabilities in different areas of business. Forecasting cash flow. Fishbone diagram.

### **Topic 2. Sustaining Competitive Advantage**

Analysis of the competitive environment. Competing in new/emerging industries, mature industries, declining industries. Hyper competition, changes in returns over time. Sources of differentiation and sustainability; taste-based loyalty, uninformed consumers, switching costs, network effects, learning, economies of scale, intellectual property rights. Reverse positioning. Threats to sustainability (within and beyond the market). Heterogeneity of customers (vertical and horizontal differences across customers).

### **Topic 3. The directions for strategic development: Competing Globally**

The scope of the firm. Competing Globally. Global competitive landscape. Global value creation and capture, global strategies, and relevant frameworks. Strategic options (deployment, development, deepening, DDD framework), their advantages and constraints. AAA triangle framework. CAGE distance framework. Tactics after selecting the strategy, the costs of separating activities in the value chain across geographic markets. Forms of ownership. Outsourcing and offshoring activities. Strategic choice of new locations. Dimensions of location strategy. Timing of expansion to new geographic areas and the corresponding framework, determinants of time of entry. Hedging risk with mode of entry. Framework of allocating activities across locations impact analysis. BM replication outside home country. Adaptation of macro-level theory to micro-level practices. Global organizational structures (global product design, global area design, global functional design, global matrix design). Sustaining a global strategy. Firm diversification. Vertical integration. Restructuring the business portfolio.

### **Topic 4. Attracting Talent, Leading Teams and Building Ecosystems**

Effective teams. Building the founding team, attracting key employees, establishing the Board of Directors and Advisers. Team design, launch, and process management. Key leadership roles. Relationships, roles and rewards. Self-organizing teams and organizations.

### **Topic 5. Executing Strategic Development**

Turning strategic plans into organizational action (metrics, rewards, organizational structure). Assessing strategy: suitability, feasibility, acceptability. Reasons for failed strategy. Communicating the strategic development plans. Corporate governance (internal and external mechanisms of management control). Execution requisites (organizational ambidexterity, dynamic capabilities). Systemic approach. The congruence model, congruence building blocks. Deploying talent. Organizational culture. 8 critical success factors for strategy execution. Programs, budgets, procedures, updates in the measurement system. Revisiting the strategic development plans. The people factor. Leadership and execution. 3 business horizons. Administrative support systems. Evaluation and control, monitoring performance.

### III. ASSESSMENT

#### TESTS

After each topic students will have a test aimed at assessing the mastering of the materials (course slides, cases, readings).

#### FINAL EXAM

At the final exam the students will be offered a group work on the case where they will need to demonstrate how they apply all the knowledge and skills obtained in theoretical and practical exercises.

#### GRADING

$$\begin{aligned} Q_{participation} &= 0,5 * Q_{class\ activity} + 0,1 * Q_{test\ 1} + 0,1 * Q_{test\ 2} + 0,1 * Q_{test\ 3} \\ &\quad + 0,1 * Q_{test\ 4} + 0,1 * Q_{test\ 5} \\ Q_{final} &= 0,6 * Q_{participation} + 0,4 * Q_{exam} \end{aligned}$$

### IV. EXAMPLES OF ASSESSMENT TOOLS

#### Current assessment

##### Topic 1. Recognizing and Shaping Opportunities

Test «Recognizing and shaping opportunities»

1. True or false: Identifying market needs is one of the primary ways that entrepreneurs create value.
  - a. True
  - b. False
  
2. True or false: Robin Chase and Antje Danielson started Zipcar in part because of their personal frustration with a lack of transportation alternatives.
  - a. True
  - b. False
  
3. True or false: Business models make explicit the assumptions underlying decisions on strategy, capabilities, and value.
  - a. True
  - b. False
  
4. True or false: A cash flow forecast can be generated from an entrepreneur's assessment of revenue opportunity in the market.

- a. True
- b. False

5. True or false: Identifying customers' pressing problems is a key analysis that underlies product positioning.

- a. True
- b. False

6. Which of the following is NOT one of the important activities that underpins opportunity recognition?

- a. Discovering the fit between market needs and the capabilities and resources available to the entrepreneur
- b. Creating a product and/or service that can be delivered to a market segment and deliver value for all stakeholders
- c. Testing assumptions with small, lean experiments
- d. Perceiving an unmet market need

7. Which of the following are key attributes of creativity?

- a. Motivation
- b. Persistence
- c. Experimentation
- d. All of the answers are correct.

8. What are some strategies that entrepreneurs might use to understand risk in a new venture?

- a. Analyzing competitor positions in the marketplace
- b. Identifying resource requirements
- c. Identifying key assumptions that drive cash flow forecasts, and underlying metrics
- d. All of the answers are correct.

9. Which of the following is NOT a key discovery skill?

- a. Experimenting
- b. Modeling
- c. Observing
- d. None of the answers are correct.

10. Which of the following are typical opportunities for growth?

- a. Expand into new markets
- b. Enhance current products and/or services
- c. Expand into new product lines
- d. All of the answers are correct.

11. Fishbone diagrams are NOT a useful tool for:

- a. testing assumptions underpinning a business model.
- b. highlighting key cost and revenue drivers.
- c. breaking down assumptions into more granular metrics.
- d. fleshing out contingencies and risks.

12. Which of the following is a valuable tool for identifying the validity of cash flow forecasts?

- a. Product/positioning analysis

- b. Experimentation
  - c. Fishbone diagram
  - d. Technological disruption
13. Which of the following activities is NOT part of opportunity recognition and shaping?
- a. Identifying co-founders
  - b. Sensing an unmet need
  - c. Discovering the fit between market need and resources
  - d. Creating a product or service that addresses a market need
14. All of the following are lessons from the discussion of three entrepreneurial journeys EXCEPT which of the following?
- a. Professional experience can help spot ideas.
  - b. Networks are often valuable for spotting emerging trends.
  - c. Venture capital providers often help entrepreneurs identify emerging market needs.
  - d. Personal and educational contacts can help appraise ideas.
15. Which of the following is the most common way that entrepreneurs identify ideas before starting ventures?
- a. Extensive research and analysis
  - b. Replicating or modifying ideas encountered in previous jobs
  - c. Observation of consumer behavior
  - d. All of the answers are correct.
16. Which of the following is NOT a component of creativity?
- a. Creative thinking skills
  - b. Effective networking
  - c. Expertise
  - d. Motivation
17. Which of the following is a key discovery skill?
- a. Advising
  - b. Explaining
  - c. Networking
  - d. None of the answers are correct
18. Experienced venture capitalists focus primarily on which of the following elements of a new venture when evaluating its potential?
- a. The strength of the founding team
  - b. The feasibility of the business model
  - c. The product
  - d. Either the team or the model—the emphasis depends on the venture capitalist
19. Which is NOT one of the interrelated elements of crafting a business model?
- a. Identifying the resources and capabilities required to execute
  - b. Identifying the compelling benefits for key stakeholders
  - c. Defining a unique strategy
  - d. Attracting a high-quality team

20. Which of the following types of analysis might an entrepreneur undertake when assessing potential product-market positioning?

- a. Identify early adopter target customers.
- b. Prepare cash flow statements.
- c. Pitch alternative positioning approaches to investors.
- d. None of the answers are correct.

21. Which of the following is NOT a category of growth an entrepreneur might consider?

- a. Enhance—make incremental improvements to an existing product.
- b. Evaluate—assess the potential of new markets.
- c. Explore—launch new products AND enter new markets.
- d. Expand—launch new products OR enter new markets.

22. Which of the following types of frameworks might an entrepreneur use when assessing the opportunity to create value for stakeholders?

- a. Cash flow analysis
- b. Stakeholder mapping
- c. Customer lifetime value
- d. All answers are correct.

23. Which of the following is a question that might NOT be answered by an entrepreneurial apprenticeship?

- a. Will my compensation from this venture meet my objectives?
- b. Is entrepreneurship right for me?
- c. What type of venture do I want to build?
- d. How do I find the idea for a new venture?

24. Which of the following question or questions might NOT be answered as part of product-market positioning?

- a. What attributes and features should my product have?
- b. What promotion plan should be used?
- c. What pricing strategy should I use?
- d. How should I finance my venture?

25. When developing a new venture's capabilities and resource requirements, an entrepreneur should identify:

- a. key suppliers and a procurement strategy.
- b. the size of the overall market.
- c. key consumer trends.
- d. the current power and positioning of industry players.

26. How is a new venture idea different from an opportunity?

27. What does the case study of Leo Fernandez and Telepizza tell us about the essential qualities of an entrepreneur?

28. What is the difference between intuitive and analytical thinking? What role might each play in evolving a business concept?
29. The product diversification matrix distinguishes between incremental and radical innovation. What is the difference between these types of innovation? What are some examples that fit each model?
30. You have decided to be an entrepreneur, but you don't yet have a good business idea. What are some steps you might take?
31. Imagine a situation where you have worked hard for over a year in your spare time to develop a product or service that you think has potential to take the market by storm. What should your next steps be?
32. Why might an entrepreneur use a fishbone diagram?
33. What is the concept of pivoting and why is it important in entrepreneurial ventures? Please provide an example from the discussion or your own experience.
34. In what ways would a new entrepreneur benefit from an entrepreneurial apprenticeship?
35. What lessons can you draw from the experiences of Fernandez, Williams and Chase, and Danielson as you think about entrepreneurial success?

### **Final assessment**

Preparation for the final case analysis. Case «Uber Technologies, Inc.»

Have the students review all the key takeaways from each case of the course. Form the small groups for the final case. Have the students within one group discuss their individual takeaways from each case and short list them to top-5. In the final case the students need to demonstrate how those takeaways can be used here (the students should compare the situations, see if the same solutions/advice are possible, or how they need to be adapted, or possibly explain why using the same solution/advice is not possible).

## **V. RESOURCES**

### **Main literature**

1. Brennan, L.L. Strategic Management: A Practical Guide [Электронный ресурс] / Linda L. Brennan, Faye Sisk; БД ebrary. – Business Expert Press, 2014. – 144 p. – ISBN 9781631571930. – Режим доступа: <https://ebookcentral.proquest.com/lib/hselibrary-ebooks/detail.action?docID=3002874>. – Загл. с экрана.
2. Kluyver de, C.A. Strategic Management: An Executive Perspective [Электронный ресурс] / Cornelius A. de Kluyver, John A. Pearce; БД ebrary. – Business Expert Press, 2015. – 274 p. – ISBN 9781631570735. – Режим доступа: <https://ebookcentral.proquest.com/lib/hselibrary-ebooks/detail.action?docID=1934291>. – Загл. с экрана.

### **Additional literature**

1. Newth, F. Business Models and Strategic Management: A New Integration [Электронный ресурс] / Francine Newth; БД ebrary. – Business Expert Press, 2012. – 188 p. – ISBN 9781606494011. – Режим доступа: <https://ebookcentral.proquest.com/lib/hselibrary-ebooks/detail.action?docID=1048424&query=strategic+management>. – Загл. с экрана.

2. Rao, P.S. Strategic Management: An Executive Perspective [Электронный ресурс] / P. Subba Rao; БД ebrary. – Global Media, 2009. – 197 p. – ISBN 9789350243619. – Режим доступа: <https://ebookcentral.proquest.com/lib/hselibrary-ebooks/detail.action?docID=3011189&query=strategic+management>. – Загл. с экрана.

### 5.3. Software

№ п/п	Name	Access
1	Windows Professional 8.1 Russian	<i>Internal (contract)</i>
2	MS Office 2007 Prof +	<i>Internal (contract_</i>

### 5.4. Professional databases, information reference systems, Internet resources (electronic educational resources)

№ п/п	Name	Условия доступа/скачивания
1	Electronic educational resources	<i>Internal (contract)</i>

### 5.5. Special Equipment and Software Support

Multimedia technologies are used for lectures and practical classes. Handout material is used for discussions, practical exercises, analysis of cases. Internet access is required both for lectures and practical classes.