

Strategic Management and Business Policy I

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Course & Class Information

Course: Strategic Management and Business Policy I

Program: Bachelor's Program

Credits: 4 ECTS

Mode: Onsite / Blended

Class 7: Second Assignment : Strategic Analysis

Instructor: Dr. Leul Girma

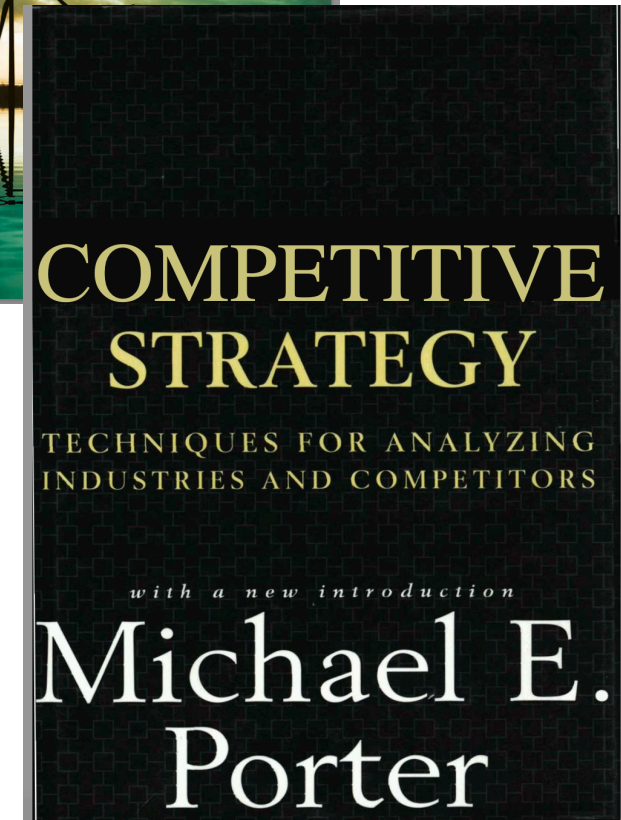
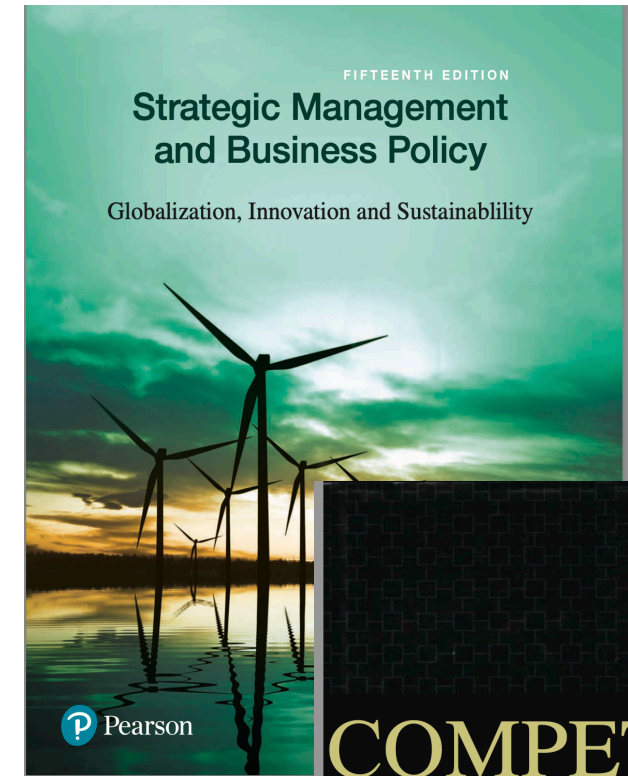
Main Teaching & Learning Materials

Books

- Mastering Strategic Management.
- Strategic Management and Business Policy

Business Policy resources

- Company annual reports
- Public corporate governance codes and policy guidelines
- Instructor-provided case materials



Objective and Learning Outcomes

Objective:

To develop students' ability to interpret a company's strategic situation by applying selected strategic analysis tools to publicly available information.

By the end of this class, students will be able to:

- Interpret an organization's **strategic direction** through its mission and purpose
- Examine external conditions affecting the company using **PESTEL analysis**.
- Identify internal strengths and weaknesses related to the company's **resources and capabilities**
- Integrate internal and external insights using a **SWOT framework**.
- Formulate a **key strategic issue** emerging from the company's situation.

Strategic Analysis

Strategic analysis refers to the systematic examination of internal and external factors that influence an organization's strategic position (Johnson, Scholes & Whittington, 2020; Grant, 2019)

Key Perspectives:

- Provides a structured understanding of the organization's environment and capabilities
- Helps interpret relationships between internal conditions and external pressures
- Supports identification of emerging strategic challenges
- Forms the analytical basis for evaluating strategic situations



Importance of Strategic Analysis

Strategic analysis is important because it helps managers understand the conditions that shape organizational performance and competitive position (Grant, 2019; Johnson, Scholes & Whittington, 2020).

Why it matters:

- Reduces uncertainty by organizing complex information
- Supports evidence-based managerial evaluation
- Improves consistency in strategic and policy decisions
- Strengthens the quality of strategic communication and justification
- Helps organizations anticipate change rather than react late

Strategic Analysis Framework

Sources of Strategic Analysis

Strategic analysis relies on credible information sources that describe the organization, its environment, and its industry context (Johnson et al., 2020; Wheelen et al., 2018).

Common sources:

- Company websites, annual reports, sustainability reports
- Public governance codes and policy guidelines
- Industry reports, market data, competitor information
- Business news and analyst commentary
- Government and international organization statistics



Quality of Strategic Analysis

Quality strategic analysis refers to the degree to which analysis is coherent, evidence-based, and logically connected to strategic conclusions (Johnson et al., 2020).

Indicators of quality:

- Clear logic connecting evidence to conclusions
- Use of reliable sources rather than unsupported claims
- Focus on significance, not long lists of facts
- Consistency between external conditions and internal capabilities
- Clear articulation of what the analysis implies for issues



From Evidence to Insight

Strategic insight is the interpretation of evidence that reveals what matters most for the organization's future direction and performance (Grant, 2019; Johnson et al., 2020).

How insight is developed:

- Evidence is gathered from credible sources
- Analytical techniques are applied to organize and interpret evidence
- Key patterns are identified (opportunities, risks, strengths, weaknesses)
- Insights are integrated into a clear strategic issue or implication



Components of Strategic Analysis

External Environment Analysis

External environment analysis examines forces outside the organization that influence strategic outcomes (Johnson et al., 2020).

Analytical Focus:

- Understanding macro-environmental forces affecting industries
- Identifying environmental trends that shape opportunities and risks
- Recognizing sources of uncertainty in organizational environments
- Interpreting how external conditions influence competitive behavior



Internal Situation Analysis

Internal analysis evaluates the organizational factors that shape a firm's ability to compete effectively (Grant, 2019).

Key Considerations:

- Nature and quality of organizational resources
- Development and coordination of capabilities
- Areas where the organization demonstrates operational strength
- Organizational limitations affecting strategic performance



Strategic Integration

Strategic integration connects internal and external insights to interpret the organization's overall position (Wheelen et al., 2018).



Integration Logic:

- Internal capabilities must respond to external conditions
- Strengths determine the ability to exploit opportunities
- Weaknesses may expose the organization to external risks
- Structured frameworks help organize analytical insights

Strategic Issues

Strategic issues are critical challenges or opportunities that significantly influence the organization's future direction (Johnson et al., 2020).

Key Characteristics:

- Arise from interaction between internal capabilities and environmental conditions
- Affect long-term organizational performance
- Require managerial attention and evaluation
- Often signal the need for strategic adjustment



Strategic Situation Snapshot

A strategic situation snapshot provides a concise interpretation of the organization's current strategic context.



Analytical Purpose:

- Summarizes insights from strategic analysis
- Highlights key environmental influences
- Identifies internal strengths and limitations
- Clarifies major strategic issues affecting the organization

Second Assignment

Step 1 : Strategic Situation Snapshot

Objective:

The purpose of this assignment is to apply concepts and analytical tools from **the first six classes** to examine a real company. Students will analyze the company's **strategic direction, external environment, internal capabilities, and strategic challenges** using publicly available information.

Resource:

Selected companies **official website** and other academic sources (see **Class 2**)

1.1 What strategic orientation does the company's mission suggest? What value is the company trying to deliver?

Step 2 : External Environment

Tool: PESTEL Analysis (see Class 3)

Students conduct a **PESTEL analysis** to examine the **external environment affecting the company**.

Students should:

- Identify relevant factors from political/legal, economic, social, technological, or environmental conditions
- Explain how these factors influence the company or its industry.

2.1 Which external conditions create the most significant opportunities and risks for the company's strategy?

Step 3 – Internal Situation

Concept: Resources and Capabilities (see Class 5)

Students analyze the company's **internal competitive position**.

Students should identify:

- **key organizational strengths**
- **key organizational weaknesses**

These should relate to :

Technology or innovation capability; brand reputation; operational efficiency; expertise and human resources; distribution networks.

3.1 Which internal capabilities appear most important for supporting the company's strategic orientation?

Step 4 – Strategic Integration

Tool: SWOT Analysis (see Class 1)

Students summarize the findings from the external and internal analysis in a **SWOT matrix**.

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- Strengths and weaknesses should come from the internal analysis.
- Opportunities and threats should come from the external environment analysis.

4.1 How do the company's strengths help it take advantage of opportunities or respond to threats?

Step 5 – Strategic Issue

Based on the SWOT analysis, students should identify **one important strategic issue** facing the company (see Class 1).

Students should explain:

- How the issue emerges from the interaction between internal and external factors
- Why the issue is important for the company's **future strategy or performance**.

5.1 What strategic challenge emerges from the SWOT analysis?

Important Guidelines

- Use information from company websites and academic literature
- Write explanations in your own words
- Demonstrate understanding of strategic management concepts
- Focus on analysis rather than description.

Choose one format:

3–5-page written report or 12-15 structured slides

Company Selection

Apple Inc : <https://www.apple.com>

Microsoft : <https://www.microsoft.com>

Nike : <https://about.nike.com>

Tesla : <https://www.tesla.com>

Starbucks : <https://www.starbucks.com>

IKEA : <https://www.ikea.com>

Samsung Electronics : <https://www.samsung.com>

Additional Public Information

Business news articles

Reuters: <https://www.reuters.com>

Bloomberg News : <https://www.bloomberg.com>

Financial Times: <https://www.ft.com>

Government and international organization reports

OECD — <https://www.oecd.org>

World Bank — <https://www.worldbank.org>

International Monetary Fund (IMF) — <https://www.imf.org>

Public statistics databases

Statista — <https://www.statista.com>

World Bank Data — <https://data.worldbank.org>

OECD Data — <https://data.oecd.org>

Further reading

Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: Free Press.

Grant, R. M. (2019). *Contemporary Strategy Analysis* (10th ed.). Wiley.

Johnson, G., Scholes, K., & Whittington, R. (2020). *Exploring Strategy* (12th ed.). Pearson.

Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2018). *Strategic Management and Business Policy: Globalization, Innovation, and Sustainability* (15th ed.). Pearson.

Hill, C. W. L., Jones, G. R., & Schilling, M. A. (2020). *Strategic Management: Theory & Cases* (13th ed.). Cengage.

Thank you



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