

Cheatsheet module 1 - Business and environment

Strategy in one sentence

Long-term direction of an organisation (internal + external).
Mintzberg: *a pattern in a stream of decisions*.

Strategy statement (Collis and Rukstad, ~35 words)

Part	Check
Objective	measurable + time-bound (not mission or values)
Scope	customers/offering, geography, vertical; also what you do <i>not</i> do
Competitive advantage	value proposition + internal alignment (unique activities)

On the exam: recognise the objective in running text.

Levels of strategy

- **Corporate:** scope and portfolio (vertical, horizontal, geographic)
- **Business:** competing in a market, competitive advantage
- **Functional:** R&D, IT, marketing

Rumelt

Bad: fluff, not facing the challenge, goals = strategy, dog's dinner. Good: diagnosis + guiding policy + coherent actions.

Strategy development

Concept	Meaning
Intended	the plan
Deliberate	plan that works
Unrealized	plan that does not work
Emergent	arises bottom-up, through learning
Realized	deliberate + emergent

Rational-analytic = prescriptive (how it should go). Mintzberg = descriptive (how it really goes). Examples: Ikea, Slack.

PESTEL (macro, non-market)

Political - Economic - Social - Technological - Ecological - Legal (also STEEP, SEPTEMBER)

Aim: opportunities and threats, **key drivers for change** (greatest impact). Not a fill-in matrix. PESTEL = non-market, macro level. Five Forces = market, industry level.

Forecasting

Single-point, range, alternative futures. Megatrends, inflexion points, weak signals. Predicts.

Scenario analysis (does not predict)

1. Scope (industry, region, years)
2. Key drivers: impact, uncertain, **mutually independent**
3. 2x2 matrix, 4 scenarios with name and story
4. Impact and robustness of the strategy
5. Monitor (early warning indicators)

Pitfalls: dependent drivers, jumping straight to the company, calculating probabilities, ghost scenarios.

Exam tips

- Full sentences, English technical terms, show the argument.
- Form: 3 sub-questions (15 points): name, choose and justify, compare.
- Word limit is hard: 20 / 40 / 75 / 150.

Mnemonics

- **PESTEL** = Political, Economic, Social, Technological, Ecological, Legal (law).
- **OSA** = Objective, Scope, Advantage.
- **Realized = D + E** (Deliberate plus Emergent).