

# MGMT3015

## CORPORATE STRATEGY

Semester 1  
2025

Week 1

Wednesday 19<sup>th</sup> February



Australian  
National  
University

# Agenda

1	Housekeeping	03
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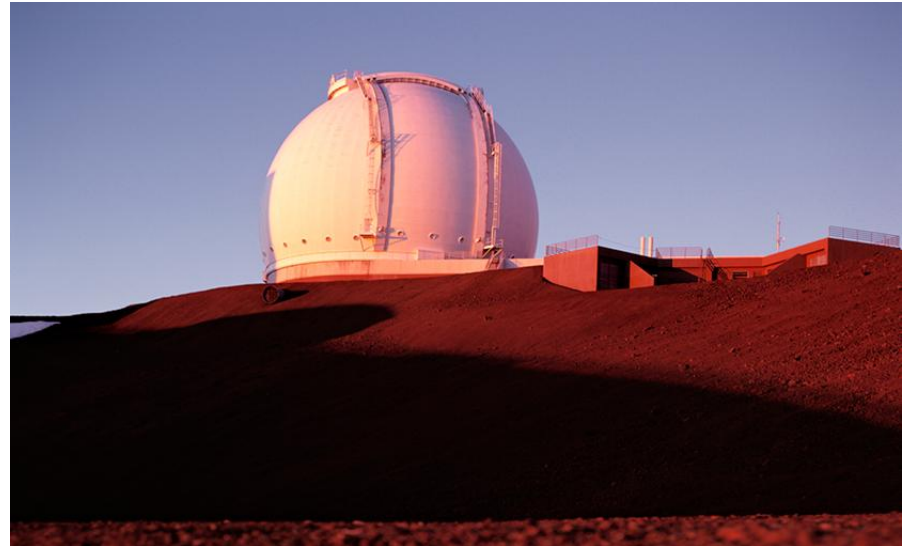


# HOUSEKEEPING

Textbook, Tutorials, Assignments and More



Australian  
National  
University



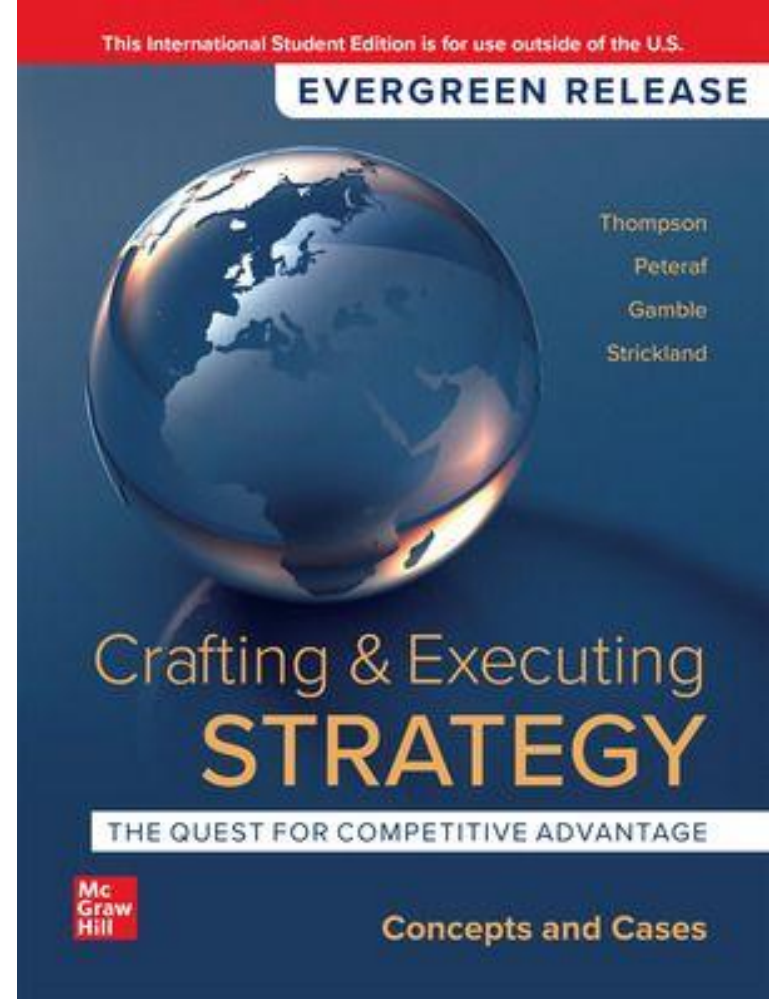
# Your Textbook

## **Crafting & Executing Strategy: The Quest for Competitive Advantage: Concepts and Cases: 2024 Release ISE**

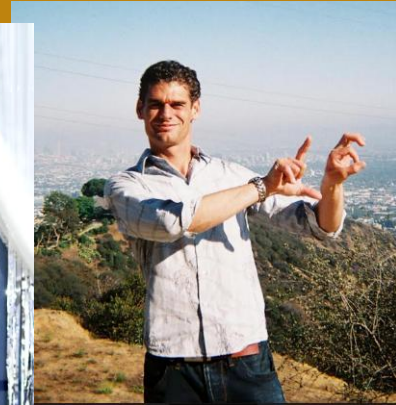
1266849467 · 9781266849466

By Arthur A. Thompson, Margaret Peteraf,  
John E. Gamble, A. J. Strickland

Crafting & Executing Strategy: The Quest for Competitive Advantage: Concepts & Cases has a long-standing reputation of being the most teachable text. It is regarded as the benchmark by which all others are measured. It is engaging, clearly a... [Read More](#)



# 1.1 THE TEACHING TEAM



# Lumeng Yu



**LinkedIn** 😊



## **Tutor and Seminar facilitator (2021 -- NOW):**

MGMT1003 Management, People, and Organisation (4 semesters, worked with Alex in 2020!)

INFS1001 Business Information Systems

MGMT8015 Entrepreneurship and Innovation

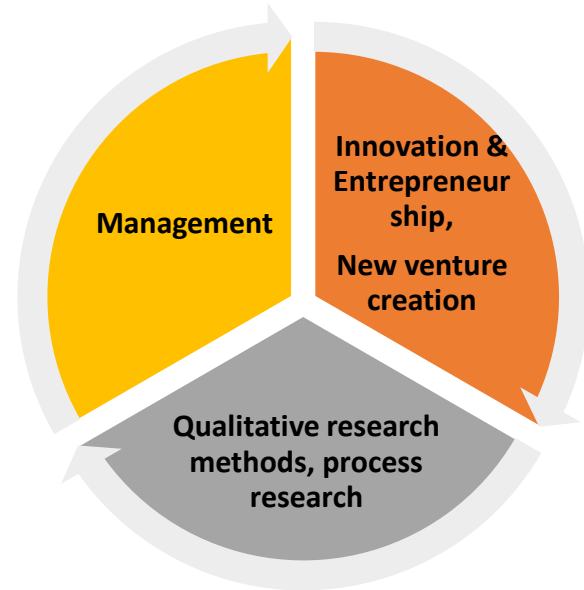
MGMT3015 Corporate Strategy

MGMT2030 Human Resource Management and Strategy

MGMT2003 Business Decision Making

MGMT7020 Technology and Project Management, NIAA program, 2022, 2023

MGMT7250 Evidence-based management, NIAA program 2022, 2023



**A pie chart of my research areas and methods**

# DANIEL MULLER — TUTOR & MENTOR

Email: [Daniel.Muller@anu.edu.au](mailto:Daniel.Muller@anu.edu.au)

Best contact method: Microsoft Teams

Specialties: Strategic Management,  
Business Analysis, Project Management,  
Strategic Human Resource Management,  
Coaching and Mentoring.

Background: Call centres, numerous IT  
projects and management consulting.

Interests: Gardening, lawns, electronics,  
music and DJing.





# CHLOE DANG

ThuHuong.Dang@anu.edu.au



## Course facilitator:

MGMT3015 – Corporate Strategy  
INFS1001 – Business Information Systems  
INFS2024 – Information Systems Analysis

## Specialties:

Business Analytics, E-commerce Development (Magento & Shopify),  
Project Management, Customer Behaviour

## Passion & Hobbies:

Organising Events, Travelling

Lying down all day & do nothing after finishing a trip or an event :D







# Leong Tang

- **Leong Tang M.AppFin B.Comm Acc&Fin**
- *Financial Adviser*
- *Partner*
- *Certified Financial Planner®*

Specialties – Strategy Advice, Finance, Tax Planning, Investments.

Passion – sharing anything that I know.

Hobbies – Sports, Travel, History, Chatting.

# ALEX TIETGE

Semester 2, 2022	Semester 1, 2019
Management, People and Organisations (MGMT1003)	International Business (BUSI2025)
International Marketing (BUSI3024)	Marketing (MKTG2004)
Global Marketing (MKTG7035)	Semester 2, 2018
Marketing (MKTG2004)	Organisational Behaviour (MGMT2007)
E-Marketing (MKTG2032)	International Marketing (BUSI3024)
Leading People and Change (MGMT8270)	International Business (BUSI2025)
Year 12 Extension Course (EXTN1020B)	Leading People and Change (MGMT8270)
Entrepreneurship and Innovation (MGMT3027)	Marketing (MKTG2004)
Entrepreneurship and Innovation (MGMT8015)	CBE Internship Program (CBEA3070 and CBEA6070)
Corporate Strategy (MGMT3015)	Human Resource Management and Strategy (MGMT2030)
Human Resource Management and Strategy (MGMT2030)	International Strategic Management (BUSI3020)
Human Centred Design Thinking (MGMT2009)	Management, People and Organisations (MGMT1003)
Management, People and Organisations (MGMT1003)	Corporate Strategy (MGMT3015)
International Strategic Management (BUSI3020)	Strategic Marketing (MKTG3023)
International Business (BUSI2025)	CBE Internship Program (CBEA3070 and CBEA6070)
Year 12 Extension Course (EXTN1020B)	Consumer Behaviour (MGMT2031)
Semester 2, 2021	International Business Strategies (BUSI7033)
International Business (BUSI2025)	Evidence-Based Management (MGMT7250)
Management, People and Organisations (MGMT1003)	Summer Semester, 2018
Marketing of Financial Services (MKTG2003)	International Business (BUSI2025)
E-Marketing (MKTG2032)	Marketing (MKTG2004)
International Marketing (BUSI3024)	Semester 2, 2017
Global Marketing (MKTG7035)	Managing in a Global Context (BUSI7280)
Marketing and Stakeholder Communications (MKTG7260)	International Marketing (BUSI3024)
Marketing (MKTG2004)	Global Marketing - (MKTG7035)
Pre Courses	International Business (BUSI2025)
Technology and Project Management (MKTG7020)	Organisational Behaviour (MGMT2007)
Marketing and Stakeholder Communications (MKTG7260)	Marketing (MKTG2004)
Corporate Strategy (MGMT3015)	Management, People and Organisations (MGMT1003)
Human Resource Management and Strategy (MGMT2030)	CBE Internship Program (CBEA3070 and CBEA6070)
Management, People and Organisations (MGMT1003)	Corporate Strategy (MGMT3015)
Consumer Behaviour (MGMT2031)	Entrepreneurship and Innovation (MGMT7027)
Strategic Marketing (MKTG3023)	Management, People and Organisations (MGMT1003)
Advertising (MKTG2033)	Human Resource Management and Strategy (MGMT2030)
Marketing (MKTG2004)	AANIP (Australian National Internships) Mentor
Entrepreneurship and Innovation (MGMT8015)	Summer Semester, 2017
Sustainable Marketing (MKTG2002)	International Business (BUSI2025)
Brand Strategy (MKTG7027)	Marketing (MKTG2004)
Pre Courses	Semester 2, 2016
Evidence Based Management (MGMT7250)	Corporate Strategy (MGMT3015)
Semester 2, 2020	International Human Resource Management (MGMT3025)
International Business (BUSI2025)	Management, People and Organisations (MGMT1003)
Management, People and Organisations (MGMT1003)	Global Marketing (MKTG7035)
Marketing of Financial Services (MKTG2003)	AANIP (Australian National Internships Program) Mentor
E-Marketing (MKTG2032)	Corporate Strategy (MGMT3015)
Managing in a Global Context (BUSI7280)	International Human Resource Management (MGMT3025)
Business Decision Making (MGMT2003)	Management, People and Organisations (MGMT1003)
Digital Marketing Communications (MKTG7268)	Global Marketing (MKTG7035)
Corporate Strategy (MGMT3015)	Mentoring and Supervision Practice
Human Resource Management and Strategy (MGMT2030)	Marketing (Post Graduate Course)
Management, People and Organisations (MGMT1003)	Global Business Immersion
Consumer Behaviour (MGMT2031)	Sustainable Marketing
Strategic Marketing (MKTG3023)	Development and Change
Advertising (MKTG2033)	10 students for the AANIP (Australian National Internships Program)
Marketing (MKTG2004)	Summer Semester, 2016
CBE Internship Program (CBEA3070 and CBEA6070)	International Business (BUSI2025)
Semester 2, 2019	Marketing (MKTG2004)
International Business (BUSI2025)	Semester 2, 2015
Management, People and Organisations (MGMT1003)	International Marketing (BUSI3024)
Marketing Research (MKTG2001)	International Business (BUSI2025)
International Business (BUSI3024)	Marketing (MKTG2004)
Global Marketing - (MKTG7035)	Organisational Behaviour (MGMT2007)
Marketing (MKTG2004)	Corporate Strategy (MGMT3015)
Organisational Behaviour (MGMT2007)	International Human Resource Management (MGMT3025)
CBE Internship Program (CBEA3070 and CBEA6070)	Human Resource Management and Strategy (MGMT2030)
Corporate Strategy (MGMT3015)	Summer Semester, 2015
Human Resource Management and Strategy (MGMT2030)	International Business (BUSI2025)
Management, People and Organisations (MGMT1003)	Marketing (MKTG2004)
Consumer Behaviour (MGMT2031)	International Marketing (BUSI3024)
Strategic Marketing (MKTG3023)	International Business (BUSI2025)
CBE Internship Program (CBEA3070 and CBEA6070)	Pre Courses
Advertising (MKTG2033)	

**2009 – 2011**  
**Fujitsu Frontech North America Inc.**  
**Advanced Technology Group**  
 Irvine, Orange County / California U.S.A.

**Business Analyst and Strategic Planner**  
**2007 – 2009**  
**Fujitsu Computer Products of America Inc.**  
 Sunnyvale, Silicon Valley / U.S.A.

**Human Resources - Project Manager**  
**New Products Group - Project Manager**  
**Strategic Planning Office Administrator**  
**2006 – 2007**

**Glogau Internationale Yachttransporte**  
 Neumünster / Germany  
**Disposition, Logistics, Sales and Marketing**  
**2005 – 2006**

**Cobra Group Pty. Ltd.**  
 Newcastle, NSW, Australia

**2011 – 2014**  
**Australian National University**  
 Canberra / Australia  
 Bachelor of International Business  
 Major in Management and Major in Marketing  
**2001 – 2005**  
**Australian National University**  
 Canberra / Australia  
 Bachelor of Commerce  
 Major in Marketing  
**1998 – 2001**  
**Johann Wolfgang Goethe University**  
 Frankfurt / Germany  
 Volkswirtschaftslehre (Bachelor of Economics)





# CONTACTS

daniel.muller@anu.edu.au

chloe.dang@anu.edu.au

leong.tang@anu.edu.au

lumeng.yu@anu.edu.au

[alexander.tietge@anu.edu.au](mailto:alexander.tietge@anu.edu.au)

Maybe some video introductions would be good?

# 1.4 ASSIGNMENTS

AT	TYPE	TITLE / EXPLANATION
AT0	Participate Active	Tutorials / Seminars are for mastering Case Studies and leveraging expertise for the assessments
AT1	Case 1 (10%)	Topic, Rubric and Guidelines provided on Wattle
AT2	Case 2 (20%)	Topic, Rubric and Guidelines provided in Week 6, more goal centric than the first
AT3	Client Focused Roadmap (20%)	Plan the future for your client. Resolve issues, create strategies, assess the industries and communicate
AT4	Client Focused Presentation (20%)	5 Minutes (Professional) – Groups of 5 – NDA on Wattle Client Meet and Greet in Week 3 (TBC) Client allocation Friday night
AT5	Final Reflection (30%)	Learning and collaboration self assessment. 10 minutes, non-scripted. Critical analysis of knowledge and experience



# 1.2 TUTORIALS



No grades...??? Why....???'  
Your choice -> cases and clients



# 1.2 TUTORIALS

T	TYPE	Academic Mentor	TIME / LOCATION
T5	Face2Face	Lumeng	Tuesday 4pm HA G051
T8	Face2Face	Lumeng	Tuesday 5pm HA G051
T1	Face2Face	Chloe	Thursday 10am MORAN G007
T2	Face2Face	Chloe	Thursday 11am MORAN G007
T6	Face2Face	Leong	Thursday 5pm HA G051
T4	Face2Face	Leong	Thursday 6pm ARNDT TR1
T7	Online Ex. (catch up)	Daniel	Zoom / Teams – Friday 4pm
T3	Asynchronous Ex.	Daniel	Recorded Tutorial – No set Day / Time

1. SpaceX: Its Vision, Business Model, and Achievements in Space Exploration
2. Airbnb in 2023
3. Costco Wholesale in 2023: Mission, Business Model, and Strategy
4. Twitter/X Corp. in 2023: The Elon Musk Era Begins
5. Competition in the Energy Drink Market in 2023
6. Netflix's 2023 Strategy for Battling Rivals in the Global Market for Streamed Video Subscribers
7. Chewy, Inc.: Are Changes to Its Business Model and Strategy Necessary?
8. FIFA in 2023: It's Strategy to Lead the Worldwide Football Industry
9. Beyond Meat in 2023: Will a Major Shift in Its Operating Model Save It from Possible Bankruptcy?
10. McPherson Cellars in 2023: Setting the Stage for Texas Wine
11. Peloton Interactive, Inc.: The Road Ahead
12. Electronic Arts: It's Strategy in the Video Game Industry
13. Under Armour in 2023: What Should the New CEO Do to Boost the Company's Performance?
14. lululemon athletica in 2023: Full Speed Ahead?
15. Tesla's Strategy in 2023: Can It Deliver Sustained Revenue Growth and Profitability?
16. Nikola Corporation — Can the Company Achieve Advantage in the Heavy-Duty Electric Truck Industry?
17. Microsoft's Strategic Alliance with OpenAI, Inc.: Will the Partnership Create a First-Mover Advantage?
18. Deere & Company in 2023 — Its Innovation Strategy in Agricultural Robotics and Artificial Intelligence
19. Pollo Campero, the Taste of Latin America: Can It Capture the US?
20. LVMH in 2023: Its Diversification into Luxury Goods
21. PepsiCo's Diversification Strategy in 2023
22. Robin Hood
23. Starbucks in 2023: Is the Company Attractively Positioned for the Road Ahead?
24. Nucor Corporation in 2023: Pursuing Efforts to Grow Sales and Market Share Despite Tough Market Conditions
25. Vail Resorts, Inc. in 2023
26. Meta Platforms, Inc. in 2023: Will the Company's Name Change Resolve Ethical Issues at Facebook and Instagram?
27. Nestlé in 2023: Reducing Plastic Waste?



# CASE 1

Specifically, you are to:

1. Conduct relevant analyses of the information contained in the case study using theories, models and frameworks covered in textbook readings, lectures and tutorials relating to the materials studied in Weeks 1-4 of the course MGMT3015 (Chapters 1-4 text). Note: you should use only information contained in the case study as set out on pages C\_\_\_\_ of the textbook. You are not expected to conduct analyses using any other sources other than the case study and you will not be rewarded for doing so – information included in your analyses that comes from sources other than the case study will be ignored in assessing your assignment submission.
2. Derive strategic insights from your analyses in point 1 above and summarise these into a SWOT analysis (i.e. detail Company X's Strengths, Weaknesses, Opportunities and Threats based on the findings of the analyses that you conducted)
3. Detail the strategic implications of the SWOT analysis by outlining what you believe the implications of the SWOT are for the strategic leaders of Company X.

# MARKING AT1

## **Theory, model and/or frameworks selection (30%)**

Integrates a range of relevant theory, models and/or frameworks in sufficient detail to demonstrate sophisticated conceptual understanding (i.e. more than simply paraphrasing the theory, models and/or frameworks). Demonstrates clear and insightful synthesis of how the theory, models and/or frameworks are used to generate strategic insights. May offer a critique of the theory, models and/or frameworks (explain their value and limitations).

## **Theory, model and framework applications (30%)**

Integrates a wide range of relevant facts from the case with the detail of course theories, models and/or frameworks. Compares and contrasts the detail of the theories, models and/or frameworks with the facts in ways that clearly demonstrates sophisticated understanding of the practical use of the selected tools in strategic management. Includes innovative use of relevant course theories, models and/or frameworks.

## **Insight generation (30%)**

Explicitly generates insights and interpretations from the analyses. Synthesises the insights and interprets the strategic issues detailed in the case in new and insightful ways and demonstrates clear judgements of the implications for the organisation's strategy/focus against clear and appropriate choice of strategic criteria. Strategic implications are clearly described, creative, realistic, and evaluated and clearly linked back to the analyses.

## **Written Communication (10%)**

Has the student communicated clearly and concisely in written form?

Has the student structured text logically and coherently?

Has the student presented text professionally and referenced sources accurately using Harvard referencing format?



# ROADMAP

**Organisational Plan:** Vision, Mission and values of the venture; Key Activities for the venture; roles, responsibilities and suitability of the team; recruitment strategy to attract additional team members; and strategy to establish Key Partnerships.

**Marketing Plan:** Customer segments identified and quantified, with a clear Value Proposition for each; competitive analysis, positioning strategy, including Channels and Relationships; and evidence of validation and use of feedback to improve the venture.

**Financial Plan:** Key Resources required for the venture; clear budget based on credible sources; pricing strategy for each customer segment; financial projections based on logical assumptions; and identification of potential sources of funding.

**Growth Plan:** High-level plan for the first six months of operations; identifies growth markets and expansion opportunities; valuation and investor offer; harvest and exit strategies.

# REFLECTION

## **Learning and Collaboration Reflective Video (Individual assessment) 30%**

A reflection should encompass your learning journey, experience and key takeaways throughout the Semester.

**Length: 10 minutes +/- 10 (non-scripted video)**

It is highly encouraged that students keep a record (eg. a diary / a portfolio) of learning & experiences, as may prove useful in the composition and evidence to support your work once the Semester is over.



# YOUR MAJOR CLIENTS?

# What is academic integrity?

## How does AI fit?



**Academic integrity** means acting with the values of **honesty, trust, fairness, respect, and responsibility** in your learning and in your assessment.

At ANU, we expect you to complete your own work honestly.

The importance of **acting with integrity** extends beyond academic study and beyond graduation: integrity is a core value of ethical professionals in all fields.

If you don't **complete your own work**, gaps in your knowledge and skills may put yourself and others at risk in the future.

**Plagiarism and cheating** are breaches of academic integrity [under the ANU Academic Integrity Rule \(2021\)](#). Breaches of the rule can result in penalties that include exclusion from the University or the revoking of your degree.

Our **ANU Academic Integrity Rule, Policy, Procedure** and [Academic Integrity: Best Practice Principles for Learners](#), and the **Student Assessment (Coursework) Policy** have been updated and will cover AI tools.

Courses that use **AI tools** such as Chat GPT will offer clear guidance on how they can be used and how that use **should be acknowledged**. Some courses may specify that they not be used. *Check with the course convenor.*

The **unacknowledged use of AI tools** constitutes a **breach of academic integrity**.

If you are unsure of what is **appropriate, ask for help**. You can also visit: [Academic Skills](#) and [Wellbeing support](#)

# GROUP FORMATION

Take the time to get to know other in the class, and form groups of 5

If you prefer, please go into the wattle forum now, and start to network, add members or team up from there





# THE LECTURE #1

# Strategy – why does it matter?

According to The Economist, a leading publication on business, economics, and international affairs, “In business strategy is king. Leadership and hard work are all very well and luck is mighty useful, but it is strategy that makes or breaks a firm”. Luck and circumstances can explain why some companies are blessed with initial, short-lived success. But only a well-crafted, well-executed, constantly evolving strategy can explain why an elite set of companies somehow manage to rise to the top and stay there, year after year, pleasing their customers, shareholders, and other stakeholders alike in the process... (Thompson et al 2024, p. 4)

## Good Strategy + Good Strategy Execution = Good Management

Crafting and executing strategy are core management tasks. Among all the things managers do, nothing affects a company’s [organisation’s] ultimate success or failure more fundamentally than how well it’s management team charts the company’s [organisation’s] direction, develops effective strategic moves, and pursues what needs to be done internally to produce good day-in, day-out strategy execution and operating excellence. (Thompson et al 2024, p. 16)

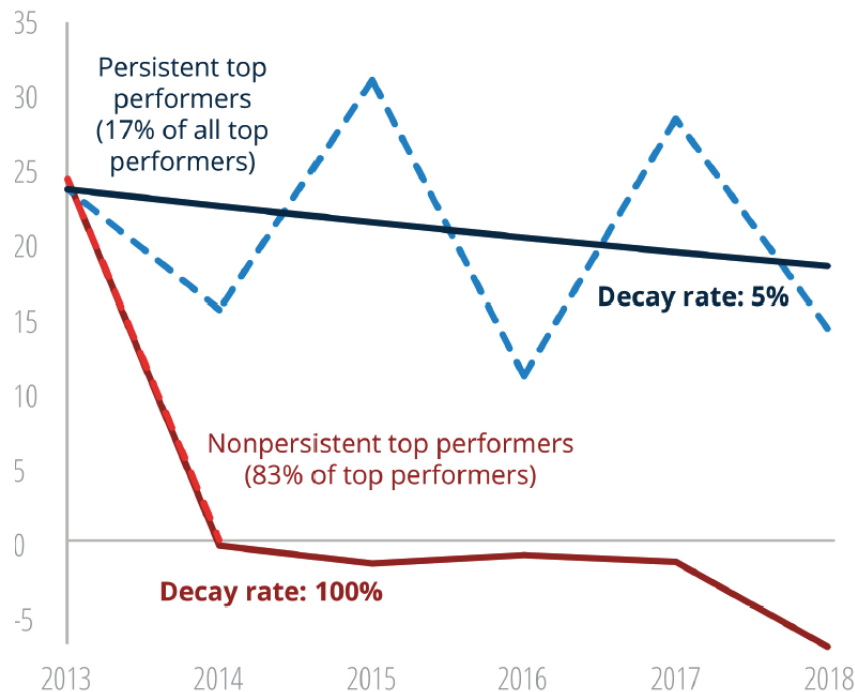


# Fighting the Gravity of Average Performance

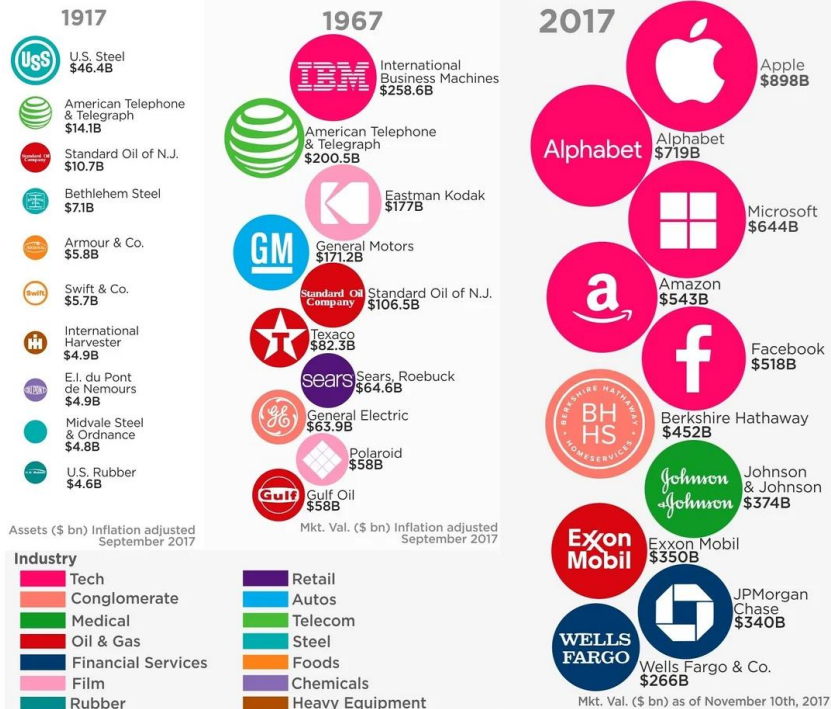
Reeves, Whitaker & Deegan (2020)

Roughly 1 in 6 companies with top-quartile TSR performance can retain that differential over the pack.

Annual TSR outperformance versus sector median (percentage points)



## 100 Years of America's Top 10 Companies



howmuch.net





# Fighting the Gravity of Average Performance

Reeves, Whitaker & Deegan (2020)

Practices of consistent top performers:

- 1. Reset mental models:** The first challenge is mental - avoiding the mindsets of complacency (advantage and performance will persist) and inevitability (today's models and practices are underpinned by some immutable logic).
- 2. Adopt new business metrics:** Although past performance is far less likely to persist into the future, the most commonly used metrics in business (such as growth, market share, and profitability) only indicate what has happened in the past. These data points are useful for assessing and improving current performance, but in order to persistently out perform over time, leaders need to also use forward-looking metrics that assess the company's fitness for the future, such as the "freshness" of its revenue mix (the share of sales from offerings based on recent innovations) or its vitality (the capacity to reinvent the business and grow sustainably).
- 3. Embrace a multi-dimensional approach to strategy:** Because tomorrow's keys to success will be different from today's, companies must be managed on multiple timescales simultaneously: running the current business in the short term (by exploiting existing niches and optimizing operations) and reinventing it for the long term (by exploring new possibilities and developing a pipeline of future bets). These challenges require fundamentally different skills and approaches, but organizations can be structured to accomplish both.
- 4. Reinvent organizational capabilities:** As the business environment evolves more rapidly, companies can no longer rely solely on static capabilities like efficiency and quality, which are most useful for harvesting a strong position over a long period. Instead, leaders must continuously experiment and scale up the initiatives that work. This requires new organizational characteristics, including a diversity of backgrounds and ways of thinking, an environment that encourages both challenge and collaboration, and the ability to accelerate the company's rate of learning (by breaking down hierarchies and integrating technologies to act on new data rapidly).



# STRATEGY?

Origin



[https://www.youtube.com/watch?v=-TLCaDbBv\\_s](https://www.youtube.com/watch?v=-TLCaDbBv_s)

<https://www.youtube.com/watch?v=vivMOshFrP8>



# Strategy – our definition

A company's **strategy** is a coordinated set of actions that its managers take in order to outperform the company's competitors and achieve superior] profitability [or outcomes]. The objective of a well-crafted strategy is not merely temporary competitive success and profits in the short run, but rather the sort of lasting success that can support growth and secure the company's future over the long term. Achieving this entails making a managerial commitment to a coherent array of well-considered choices about how to compete. These include choices about:

- How to position the company in the marketplace
- How to attract customers [or clients or target stakeholders].
- How to compete against rivals [or competing value propositions].
- How to achieve the company's performance targets.
- How to capitalize on opportunities to grow the business
- How to respond to changing economic and market conditions.

(Thompson et al 2024, p. 4)



# Strategy – is about making choices

In choosing a strategy, management is in effect saying, “Among all the many different business approaches and ways of competing we could have chosen, we have decided to employ this particular combination of competitive and operating approaches in moving the company in the intended direction, strengthening its market position and competitiveness, and boosting performance”.

The **strategic choices** a company makes are seldom easy decisions, and some of them may turn out to be wrong – but that is not an excuse for not deciding on a concrete course of action.

(Thompson et al 2010, p. 4)

Strategy, at it's essence, is about competing differently – doing what rival firms *don't do* or what rival firms *can't do*.

(Thompson et al 2020, p. 4)

Knowing what not to do, can be as important as knowing what to do, strategically.

(Thompson et al 2024, p. 4)



# Strategy – impacting the Business Model

At the core of every sound strategy is the company's **business model**. A business model is management's blueprint for delivering a valuable product or service to customers in a manner that will generate revenues sufficient to cover costs and yield an attractive profit [or strategic outcome]. The two elements of a company's business model are (1) *its customer value proposition* and (2) *its profit formula*. The customer value proposition lays out the company's approach to satisfying buyer wants and needs at a price that customers will consider good value. The profit formula describes the company's approach to determining a cost structure that will allow for acceptable profits, given the pricing tied to its customer value proposition.

(Thompson et al 2024, p. 11-12)



# Business Strategy/Business Model Canvas

[www.businessmodelgeneration.com/canvas](http://www.businessmodelgeneration.com/canvas) developed by Osterwalder A & Pigneur Y

## Key Partners

- Who are our key partners?
- Who are our key suppliers?
- Which key resources are we acquiring from our partners?
- Which key activities do partners perform?

## Key Activities

- What key activities do our value propositions require?
- Our distribution channels?
- Customer relationships?
- Revenue streams?

## Key Resources

- What key resources do our value propositions require?
- Our distribution channels?
- Customer relationships?
- Revenue streams?

## Value Propositions

- What value do we deliver for customers?
- Which one of our customers' problems are we helping to solve?
- What bundle of products and services are we offering to each segment?
- Which customer needs are we satisfying?
- What is the minimum viable product?

## Customer Relationships

- How do we get, keep and grow customers?
- Which customer relationships have we established?
- How are they integrated with the rest of our business model?
- How costly are they?

## Channels

- Through which channels do customers want to be reached?
- How do others reach them?
- Which ones work best?
- Which ones are most cost-efficient?
- How are we integrating them with customer routines?

## Customer Segments

- For whom are we creating value?
- Who are our most important customers?
- What are the customer archetypes?

Key issue:  
How aligned is  
the model to  
the  
organization's  
purpose

## Cost Structure

- Which are the most important costs inherent to our business model?
- Which key resources are most expensive?
- Which key activities are most expensive?

## Revenue Streams

- For what value are customers willing to pay?
- For what do they currently pay?
- What is the revenue model?
- What are the pricing tactics?





# Strategic Management - definitions

1. The field of strategic management deals with the **major intended and emergent initiatives** taken by general managers on behalf of owners [key stakeholders], involving utilisation of resources to enhance the performance of firms in their external environments. Nag, Hambrick and Chen (2005, p. H6)
2. **Competitive advantage is at the heart of a firm's performance in competitive markets.** After several decades of vigorous expansion and prosperity, however, many firms lost sight of competitive advantage in their scramble for growth and pursuit of diversification. Today the importance of competitive advantage could hardly be greater. (Porter 1985, p. xv)
3. Really, strategy is about **making specific choices to win in the marketplace.** According to Mike Porter, author of *Competitive Strategy*, perhaps the most widely respected book on strategy ever written, a firm creates a sustainable competitive advantage over its rivals by **“deliberately choosing a different set of activities to deliver unique value.”** Strategy therefore requires making explicit choices – to do some things and not others – and building a business around those choices. In short, strategy is choice. More specifically, **strategy is an integrated set of choices that uniquely positions the firm in its industry so as to create sustainable advantage and superior value relative to the competition.**  
Lafley & Martin (2013, p. 3)



# The purpose of the organisation

(more to come in Week 2)

When a local chief executive pops up to talk about social issues, they inevitably attract fierce criticism from commentators and some shareholders who believe CEOs should only talk about operations and profits. There was a development in the US on Monday, however, that indicates outspoken executives like BHP's Andrew Mackenzie or Qantas' Alan Joyce may be more in tune with contemporary thought on the roles of corporations than their critics.

For more than two decades, the US Business Roundtable – the equivalent of our Business Council and representing almost 200 of the largest US companies – has held on to the conviction it first expressed in 1997 that, as a core principle, "the paramount duty of management and boards of directors is to the corporation's stockholders".

That was in line with the views expressed by economist Milton Friedman, who in an article in *The New York Times* in 1970 argued that business had only one social responsibility. "Companies must obey the law. But, beyond that, their job is to make money for shareholders," Friedman wrote.

Yet on Monday, 181 of the 193 member companies of the Business Roundtable signed a new statement of its principles of corporate governance. In the statement, they said it had become clear that the language of the post-1997 versions of the document, which stated that corporations exist principally to serve their shareholders, no longer accurately described the ways in which CEOs strove to create value for all stakeholders. They stressed that the long-term interests of all stakeholders, which included customers, employees, suppliers, communities as well as shareholders, were inseparable, pointing to issues such as diversity, social inclusion and the environment.

(Batholomeusz S, 2019), 'Listen Up! Shareholder value no longer everything for big business' *Sydney Morning Herald*, August 21



# Shared Value

The solution lies in the principle of shared value, which involves creating economic value in a way that *also* creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the centre. We believe that it can give rise to the next major transformation of business thinking.

(Porter & Kramer 2011, pp. 64–65)



# Strategic Managers must

1. Understand and evaluate the internal and external forces that may impact upon the organisation
2. Clearly identify those issues critical to the organisation's current and future success
3. Consider and develop ways to address the strategic challenges or issues facing the organisation
4. Define the preferred path to fulfilling objectives
5. Monitor and adapt the strategy as events unfold.



# Strategy is based on answering 4-6 key questions

(Thompson et al 2024, p. 18)

## 1. Where are we now?

(analyse the current strategic position and likely future scenarios)

## 2. Where are we going?

(develop a plausible and sustainable desired future for the organisation - goals and objectives)

## 3. How will we get there?

(develop strategies and action programs to get there)

## 4. How will we know we are on track?

(implement measuring and monitoring systems)



# The key strategic imperative: Playing to win



Source: Lafley & Martin, HBR, 2013



# Strategic Thinking Vs Strategic Planning

It is imperative that we redefine strategic management, disabusing managers and students of the misperception that strategy is simply long-term planning according to a set of assumptions. Rather, **strategy is thinking of an organisation as a dynamic, changing entity, in terms of the allocation of its resources and its position relative to its competition.**

Strategy is also remembering that all organisations – whether for profit or not-for-profit or in a capitalist or a socialist society – have competition. We also must distinguish between strategy as mere act and strategy as a true reflection of an organisation's operations. All organisations have a strategy that they act on, whether or not they realise it. And they may be incredibly effective in its execution. But execution means nothing if the strategy does not suit the organisation and its environment. As Peter Drucker puts it: **'It's the difference between doing things right and doing the right things.'**

(Schendel 2005, p. 6)





# Strategic Thinking Vs Strategic Planning

## Strategic Thinking

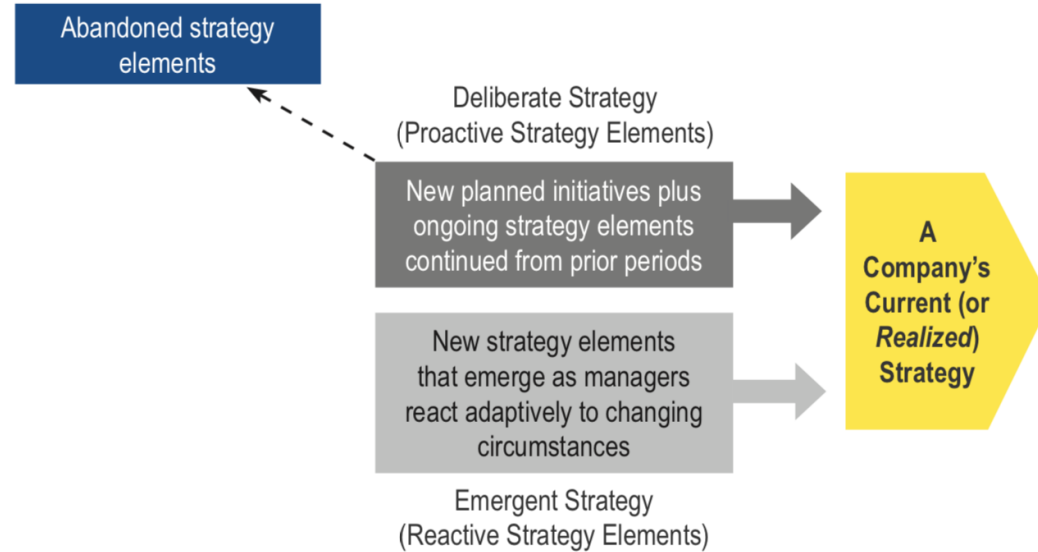
❖ The necessary analytical and creative processes that underpin the intended and emergent initiatives (doing the right things)

## Strategic Planning

❖ A process designed (when done well) to give form to the strategic thinking (doing things right)



# Parallel approaches for developing strategy



Source: adapted from Thompson et al 2016, p. 9.

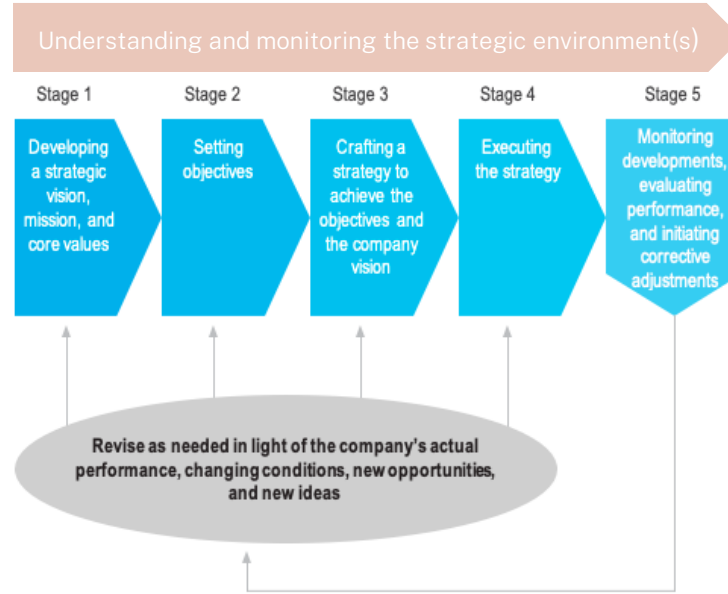
Thompson et al 2020 p.10

Thompson et al 2023 p.10

Thompson et al 2024 p.10



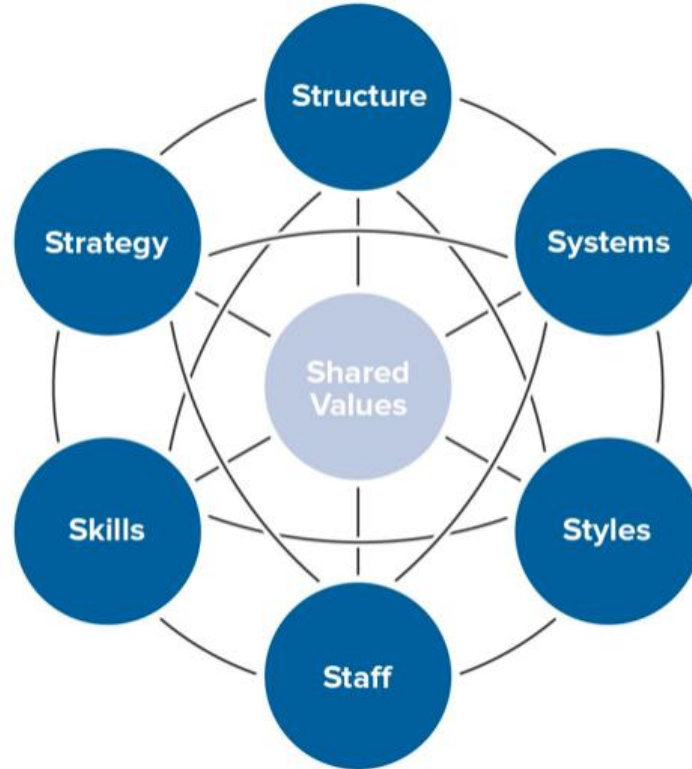
# Strategic Management – the 5 Tasks?



Adapted from Thompson et al. 2024, p. 23



# Strategy: Structure Relationship – McKinsey's 7S



# Winning Strategy – tests for what a good strategy contains

(Thompson et al 2024 pp. 13)

**1.The Fitness Test** – How well does the strategy fit with the company's [organisation's] situation?

**2.The Competitive Advantage Test** – Is the strategy helping the company [organisation] to achieve a competitive advantage? Is the competitive advantage likely to be sustainable?

**3. The Performance Test** – Is the strategy producing superior company [organisational] performance?



# Building Your Uncertainty Advantage

Kuipers, Iny & Sander (2020)

## Exhibit 1 - Three Sources of Uncertainty Advantage



### SIGNAL ADVANTAGE

The ability to detect, communicate, and assess risks and opportunities

Take a wide-angle approach to data collection

Model second- and third-order effects

Uncover counterintuitive opportunities



### DECISIVENESS ADVANTAGE

The ability to align around and execute the best strategy

Use simulations to identify a variety of plausible futures

Define what success would look like and how to achieve it

Prepare plans for different scenarios and choose where to place bets



### RESILIENCE ADVANTAGE

The ability to anticipate and recover from disruption

Develop contingency plans that mitigate the effects of shocks

Develop organizational agility

Prepare emergency protocols and train workforce



# NEXT WEEK...

**TEAMS** BY COB FRIDAY (SIGNUP WATTLE)

**CLIENTS** RANDOM ALLOCATION (COB SUNDAY)

**STUDY** PLAN, REPARE, ORGANISE

# THANK YOU

daniel.muller@anu.edu.au

lumeng.yu@anu.edu.au

leong.tang@anu.edu.au

chloe.dang@anu.edu.au

[alexander.tietge@anu.edu.au](mailto:alexander.tietge@anu.edu.au)

## Alexander Tietge

Course Convener, Lecturer and Tutor  
College of Business and Economics  
Research School of Management  
Australian National University

P: +61 2 6125 5297 | M: +61 402 695 224

E: [alexander.tietge@anu.edu.au](mailto:alexander.tietge@anu.edu.au)

## Physical Location

Room 1011, Level 1, PAP Moran Building.



Australian  
National  
University

## Postal Address

Research School of Management  
ANU College of Business & Economics  
LF Crisp Building 26C  
The Australian National University  
Acton ACT, Australia, 2601