Session Guidance

# Prep for Lecture – Topic outline

Use the following outline to focus on the parts in the text book that are absolutely necessary. The two exams will be solely based on these topic outlines, which are provided for every class with a lecture part.

|  |
| --- |
| ***Notes and additional information are provided in italics*. An asterisks symbol (\*) is placed against sections and subsections that need careful attention. Key concepts are highlighted in yellow.** |

**CHAPTER 1: STRATEGIC MANAGEMENT – CREATING COMPETITIVE ADVANTAGES**

**Learning from Mistakes** *(this is right at the beginning of the chapter; Read upto and including the four bullet points under “Consider the following”; no need to read the rest*)

**What is Strategic management?**

**Defining Strategic Management**

Three ongoing Processes (analyses, decisions, and actions)

The two fundamental questions**\***

Competitive advantages

Operational effectiveness

**Four Key Attributes of Strategic Management\***

Stakeholders

Short-term vs long term

Effectiveness

Efficiency

Ambidexterity

**The Strategic Management Process**

**Intended versus Realized Strategies\*\*** *(carefully consider the exhibit 1.2)*

Intended strategy

Unrealized strategy

Deliberate strategy

Emergent Strategy

Realized strategy

*For the next three subsections in this section, consider only the para where the concept is introduced. No need to read the rest.*

**Strategy Analysis**

**Strategy formulation**

**Strategy implementation**

**The Role of Corporate Governance and Stakeholder Management**

*Skip the initial part of this section and go directly to the subsections below.*

**Alternative Perspectives of Stakeholder Management\***

Zero sum vs Symbiosis

Stakeholder’s Nature of claims *(Understand Exhibit 1.5)*

**Social Responsibility and Environmental Sustainability**

Social responsibility

Triple bottom line

**The Strategic Management Perspective: An Imperative throughout the Organization** *(no need to read this section in detail, read upto and including the part with the three bullet points regarding types of leaders)*

**Ensuring Coherence in Strategic Direction** *(Skim through this section. Focus on understanding the difference between mission, vision and strategic objective. Understand the pyramid diagram – exhibit 1.6)*

Vision

Mission

Strategic objective

**CHAPTER 2. ANALYZING THE EXTERNAL ENVIRONMENT OF THE FIRM**

**Enhancing awareness of the external environment** *(ignore the first few paras and go straight to SWOT)*

**The Role of Scanning, Monitoring, Competitive Intelligence, and Forecasting** *(no need to read this section.)*

**SWOT analysis** *(Read the whole subsection. Pay close attention to understand which part of SWOT is internal and which is external)*

***NOTE: THE REST OF CHAPTER 2 WILL BE UTILIZED FOR THE NEXT SESSION***

# Guidance to approaching the Trader joe’s case

This case has two purposes to it – introduce the notion of strategy and introduce the case discussion format. When we discuss the case in the class, we will go through this case a bit slower than subsequent cases. It will also be somewhat open ended in its format, in the sense that we will not drive towards specific learning goals for the first case. This open-ended aspect will allow you to settle into this case discussion pedagogy and get an appreciation for the complexity involved in strategic management.

After preparing for this case, I do not expect you to fully understand what strategy means. It will take the entire course for you to have a comfortable grasp of the concept. All you should be aiming for in this case is the ability to draw connections between the key textbook concepts (as highlighted in the outline above - text in yellow) and different parts of the case. One way to do this is by marking the case with the concept name wherever appropriate.

A basic but useful tool we will be using for the Trader Joe’s Case is the SWOT analysis. Keep in mind that for the SWOT analysis, SW is internal and OT is external. Conduct the SWOT analysis and list the various case facts under each of the four parts of the SWOT. While listing them, think about where they belong and why they belong in a particular part. Some aspects of the case may not easily fit into just one part of the SWOT and these are the types of case facts that we will be debating during the case discussion. So pay more attention to those aspects that you find difficult to classify.

# Guidance questions for the Trader joe’s case

Guidance questions are meant to provoke a thought process. Ponder over them, especially when the answers are not evident. Remember, in a case discussion there are **no right answers but only better answers**.

**Elements/attributes of a strategy**

1. Identify elements and attributes of the Trader Joe’s strategy that relate to the concepts highlighted in the Topic Outline, above.
2. How does Trader Joe’s strategy measure up in terms of the four key attributes of a strategic management process?
   1. What aspects would you consider as having long-term vs short-term implication?
   2. Who are the key stakeholders in this case? What role do they play in Trader Joe’s strategic management process?

**Strategy as a concept**

1. Intended vs realized strategy
   1. What do you think is Trader Joe’s intended strategy?
   2. How would you describe Trader Joe’s realized strategy?
   3. Do you see any disconnects between the intended and realized strategies and why?
2. Strategic coherence
   1. Do you think the strategy changed after ownership (Aldi North) or leadership change (John Shields); and why?
   2. Is there coherence in Trader Joe’s strategic direction? Justify your answer.
   3. Do you think focusing on people is a strategy or is it simply a marketing ploy/PR stunt?
   4. Do you think the secrecy aspects hinder or enable strategic coherence? Why?

**SWOT**

1. Conduct a SWOT analysis and list the various aspects from the case under each part – Strengths, Weaknesses, Opportunities, and Threats. Consider things such as – Secrecy; Ailes; No Major brands; Small foot print; Own brands; Low variety; Target market; Lack of official info; No coupons; Low ads; Newsletter; Extroverted employees;