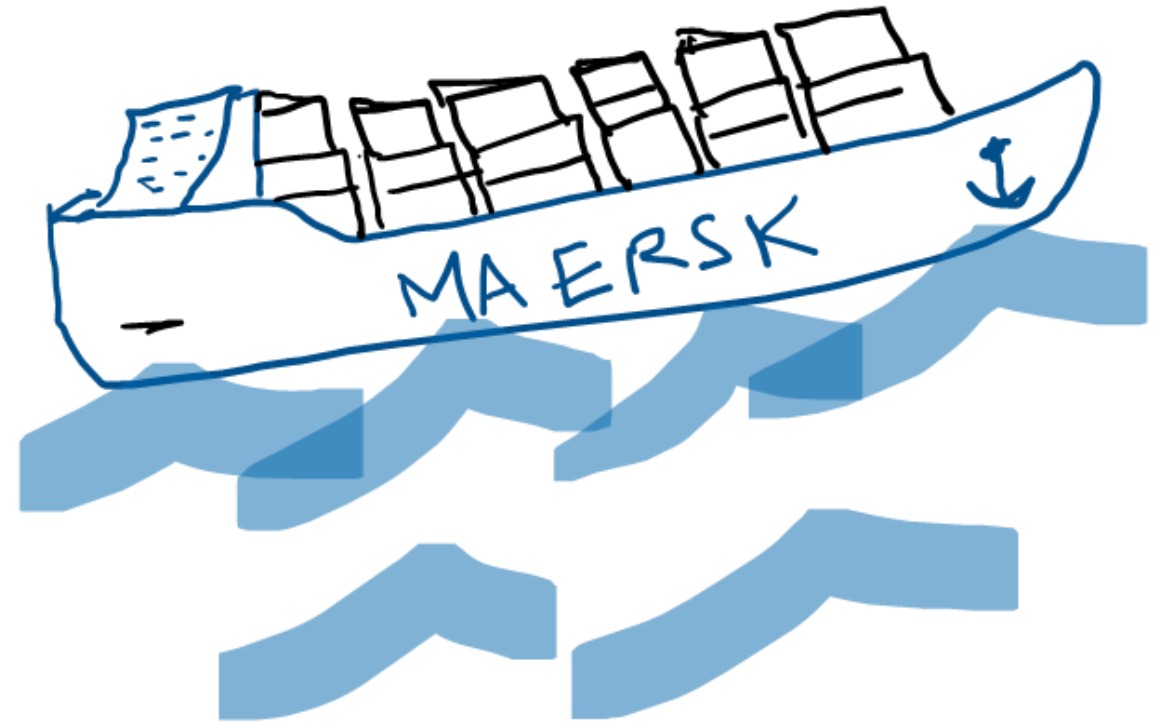


# WHAT IS STRATEGY?

*Activity:* In pairs discuss your understanding of strategy

15<sup>th</sup> July 2024



# Why getting Strategy 'right' is so important

## **Long-term**

**Significant Resources**

**Company's Position**

**Difficult to Reverse**

# Strategy formation hierarchy

Activity: Which companies are we talking about

Purpose

“We believe that we **TO MAKE IT EASY TO DO BUSINESS ANYWHERE**  
make great products and that’s not changing. “

Vision

core values include “inclusion and diversity, education, accessibility, environment, and privacy.”  
**We do not pursue size or power; we aspire to be a good company that will last for 102 years. We envision that our customers will meet, work and live at [our platform].**

Mission

“ to bringing the best user experience to its customers through its innovative hardware, software, and services. ”  
**We aim to build the future infrastructure of commerce.**

Objectives

1. Innovations  
2. Integration of partners  
3. Market specialization  
**We want to convert [our] resources into fuel for small and medium businesses, which will in turn support the advancement of the whole society.**

# Strategy In Practice

“...a pattern of resource allocation that enables firms to maintain or improve their performance” *Jay Barney (1996)*

“... a firm’s theory about how to gain competitive advantages” *Peter Drucker (1994)*

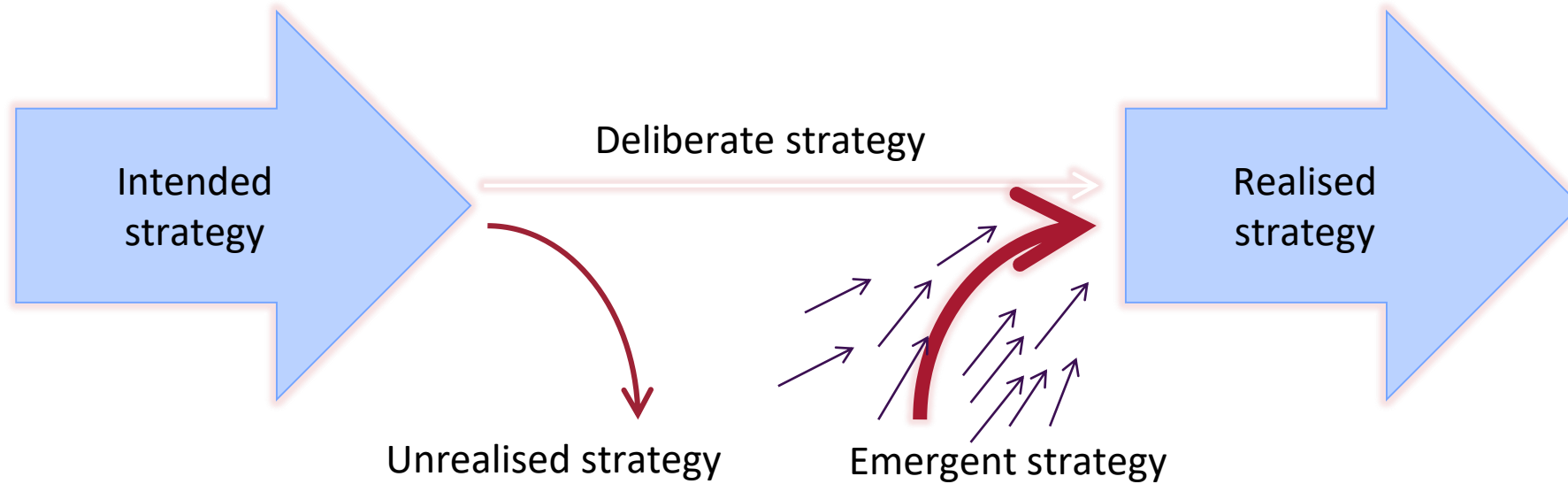
“...about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value” *Michael Porter (1996)*

Barney, J.B., 1996. The resource-based theory of the firm. *Organization science*, 7(5), pp.469-469.

Drucker, P.F., 1995. *People and performance: The best of Peter Drucker on management*. Routledge.

Porter, M.E., 1996. What is Strategy?” *Harvard Business Review* (November–December).

# Mintzberg's Emergent Strategy



The realised strategy of the firm is often partly deliberate (i.e., realised as intended) and partly emergent (i.e., realised in an unforeseen manner)

# Strategy

What are the questions that have practical relevance?



Crafting Strategy -strategizing

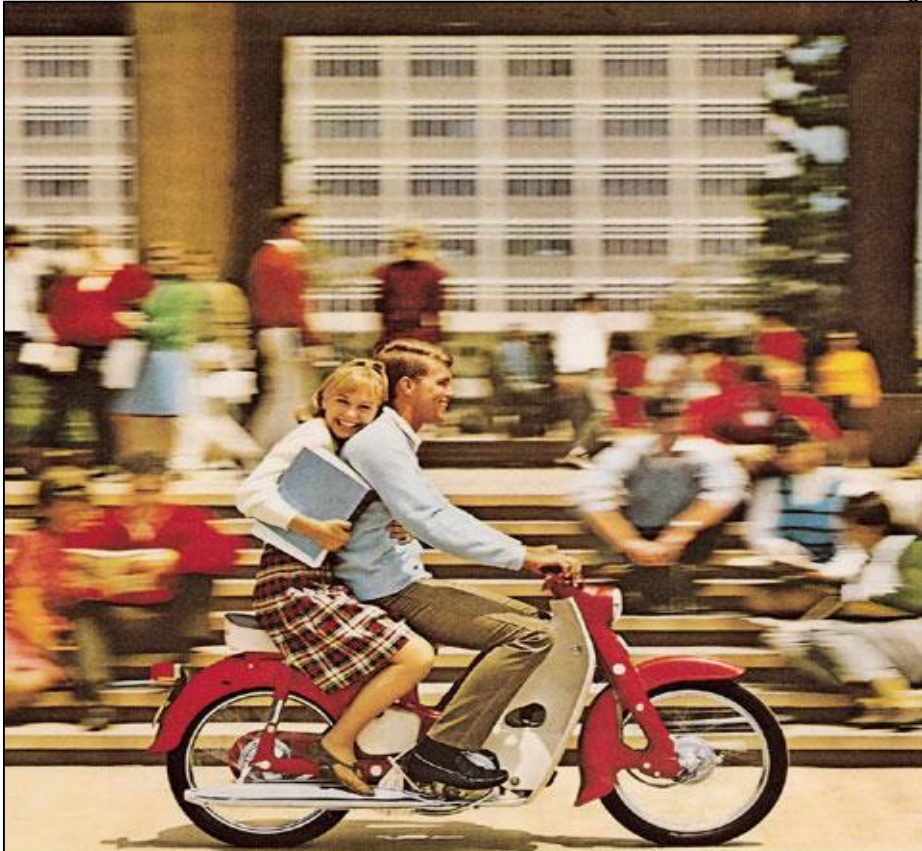
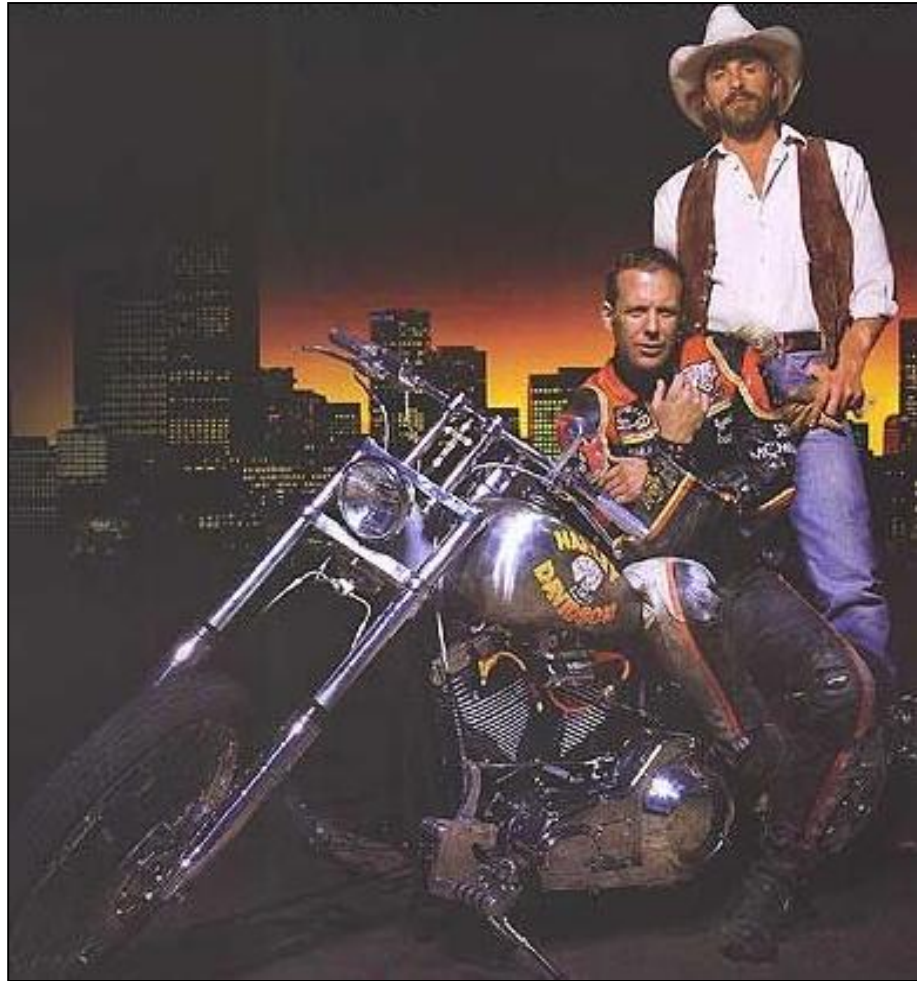
Understanding our industry & competitors

Developing competitive advantage

Implementing strategy

# The Honda Effect:

Activity: In small groups: what do these adverts tell us about the strategy being followed?



You meet the nicest people on a Honda. And the remarkable thing is the low cost of it all. Prices start about \$215\*. Insurance is painless. Upkeep negligible. Honda's four-stroke engine demands 200 miles from a gallon of gas. And gets it. Plenty of drive. That's how you stay at the top of the class. World's biggest seller. **HONDA**

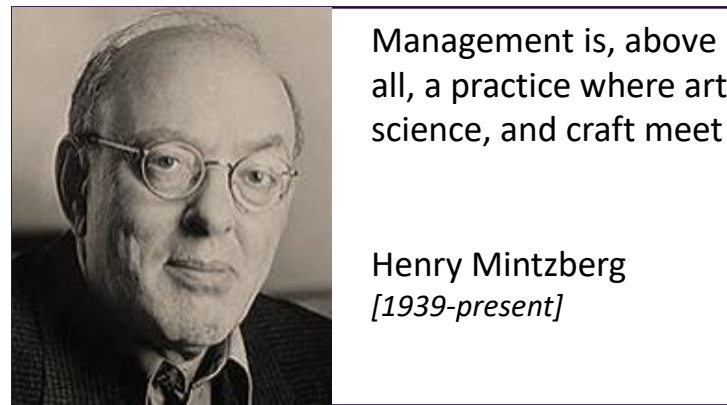
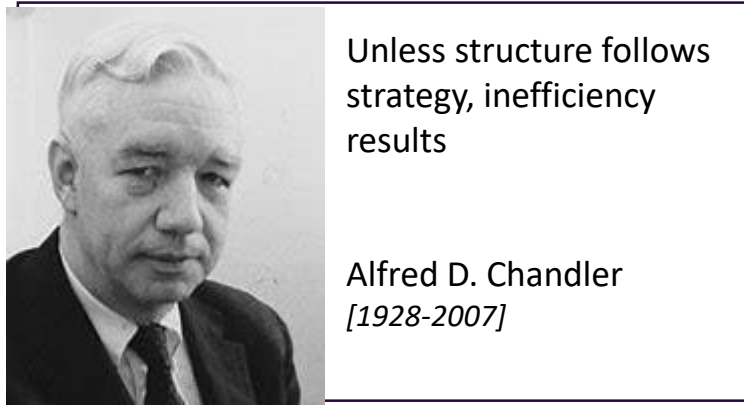
\*MSRP. Excludes taxes, license, and optional equipment. For more information, visit [www.honda.com](http://www.honda.com). ©2008 Honda Motor Co., Ltd. All rights reserved. Honda, the Honda logo, and the Honda name are trademarks of Honda Motor Co., Ltd. in the U.S. and other countries.

Mintzberg, H., Pascale, R. T., Rumelt, R. P., & Goold, M. (1996). CMR Forum: 'The Honda Effect' Revisited. *California Management Review*, 38(4), 78-117.

Runde, J., & de Rond, M. (2010). Evaluating causal explanations of specific events. *Organization Studies*, 31(4), 431-450

<http://www.economist.com/node/12676008>





## PLANNING STRATEGY AS PLANNING...

“the determination of the long-run goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals.” *Alfred Chandler (1962)*

## EMERGENT STRATEGY....

“a pattern of behaviour that emerges over time.” *Henry Mintzberg (1987)*



# Learning through Doing: The Groupwork

Strategic problems are typically **complex** and often **ill-defined**

No single 'right' solution

Quality of strategy depends on our decision-making is helped by:

Understanding ourselves

Understanding our situation

Ask relevant questions

Use concepts and Frameworks

# Strategy in the news:

## what are the strategic problems?

Moderna + Add to myFT

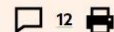
## US biotech Moderna strikes deal to develop mRNA drugs in China

Medicines produced by pharma group will be for domestic use only



Moderna has reached an agreement with Beijing to research, develop and manufacture drugs that will 'not be exported' © Thomas Lohnes/Getty Images

Donato Paolo Mancini and Hannah Kuchler in London JULY 5 2023



US drugmaker Moderna has struck a deal to make messenger RNA drugs for use in China, despite the tensions between Washington and Beijing.

The biotech said on Wednesday that it had reached an agreement with authorities in Beijing to research, develop and manufacture drugs that would “not be exported”.

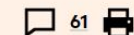
## Vodafone and CK Hutchison agree UK mobile merger

Companies must convince regulators that deal to create country's largest operator will not hurt consumers



The planned merger of Vodafone and Three-owner CK Hutchison would reduce the number of networks in the UK from four to three © Bloomberg

Daniel Thomas in London, Eri Sugiura and Chan Ho-him in Hong Kong JUNE 14 2023



Vodafone and Three-owner CK Hutchison have warned that crucial investment in 5G mobile networks would be curtailed unless regulators allow them to merge to create the UK's largest operator.

# Takeaways

## What we have done today

Overview of the module

Developed some norms of groupwork

Strategy formation hierarchy

Different approaches to strategy: Planning, Emergent

Application of theory to real life cases

Groupwork assignment