Do we need to change something in the way we traditionally teach a core course in strategy?

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Strategy Summit 2024

Deer Valley, Utah

Do we need to change something in the way we traditionally teach a core course in strategy?

- Fragmented
- Frameworks rather than questions
- Present looking rather than future looking
- Focus on environmental analyses what's next?
- Desire for hands-on learning and real-world practice

- Do we need to change the **content** of the course?
- Do we need to change the pedagogy?



Fragmented







Frameworks rather than questions

Strategy requires asking the right questions ...



STRATEGY ANALYSIS

STRATEGIC OPTIONS

STRATEGY EXECUTION

External

Internal

Synthesis

- Creation
 - **Evaluation**

- What are relevant macro trends?
- What could be alternative futures?
- How attractive is this industry?
- How does industry value build up?
- Who captures profits in the industry chain?
- How well do we compete for customers?

- What drives the profit situation?
- What are the strengths and weaknesses?
- How aligned is daily business?
- ▶ How do operative choices relate?
- What is the essence of external and internal analyses?
- Which ideas derive from combining internal with external analyses?
- What should we do with a business unit?
- How should we invest in them?
- How should the business grow?
- What is the generic value proposition?
- How should the competitive formula differ?

- How do the alternative strategic options rate?
- What shareholder value does an option create?
- How robust is an options contribution?
- How is value created and captured?
- What should be the boundaries of a business?

- How should execution be scheduled?
- What are the performance goals and links?
- How must "hard" and "soft" align?
- What are annual planning and control rituals?
- What are success factors for change management?

Present looking rather than future looking



Strategy is about preparing for the <u>future</u> and planning for success.

Strategy is a plan designed for a business to <u>achieve</u> and <u>maintain</u> a sustainable competitive advantage.

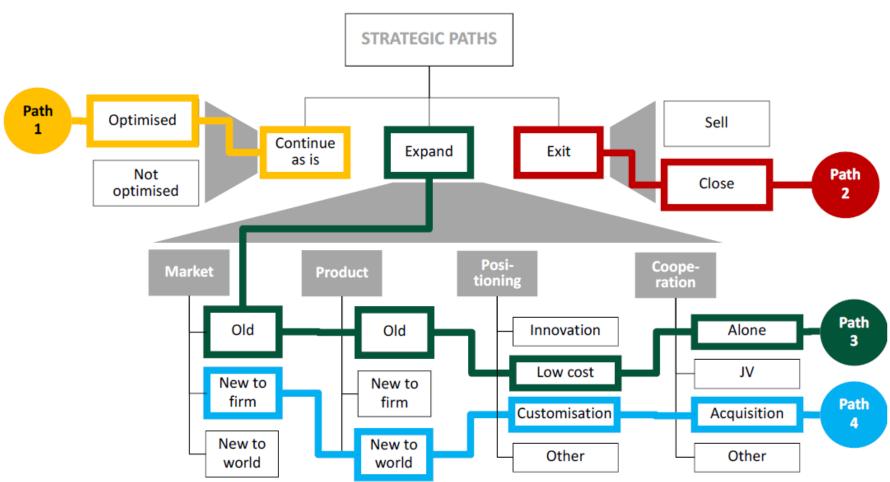




Focus on environmental analyses – what's next?

STRATEGYANALYSIS		STRATEGIC OPTIONS	STRATEGY
External	Internal Synthesis	Creation Evaluation	EXECUTION

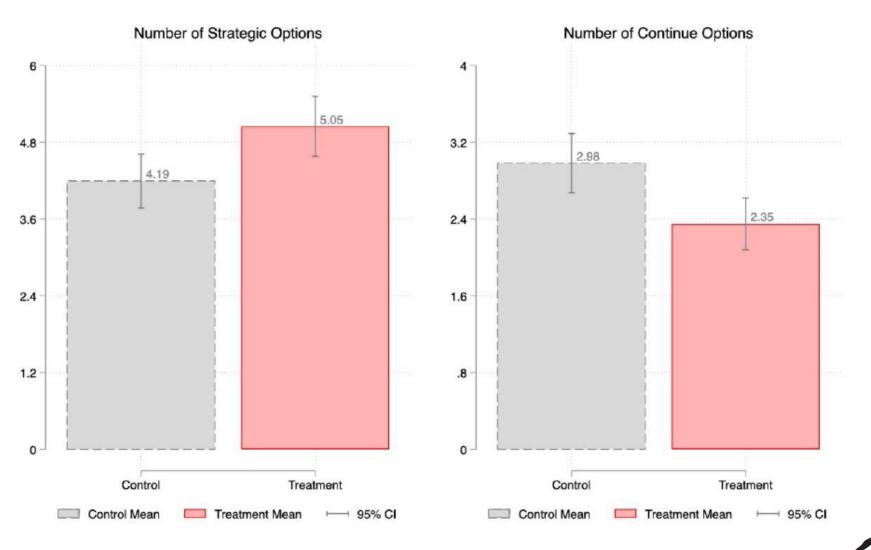
Strategic options!







How the framework shifts the options decision-makers see





Hyunjin Kim and Nety Wu

Strategy Summit 2024
Deer Valley, Utah

Criteria for evaluating strategic options

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A COMPANY EXAMPLE

Evaluation criteria

Description

Fit with firm's policy	1 Firm's Leader in technology and innovation, application know-how with a complete product range
	2 Achievement of set volume goals 45.000 devices und 1.5m accessory units by 2018
Economic appraisal (2015-2020)	Contribution Product success, differentiated by different cost allocation levels
	Necessary investment Both initial investment and continuing investments
	5 NPV Increase in shareholder's wealth for each option
Risks	6 Feasibility Time necessary to implement successfully
	7 Financial risk Assumed financial loss in the case of failure



• Desire for hands-on learning and real-world practice













Thank you

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