

Management of Business

Singapore-Cambridge General Certificate of Education
Advanced Level Higher 2 (2020)

(Syllabus 9587)

First year of examination 2020

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INTRODUCTION

The H2 Management of Business (MOB) syllabus is an introductory business management subject offered as a three-year A-Level programme. A knowledge of how business organisations are structured, what business activities are, how activities are managed and how decisions are made will enable MOB students to understand the roles and responsibilities within a business organisation. Students will be able to apply the principles of business management and decision-making to any field of study or work in the future.

Maximising profit for shareholders is no longer the core aim of many successful business organisations. Businesses have to create value and consider the interests of all stakeholders, those with direct and indirect relationships with the business. The value that a business creates may be tangible or intangible, financial or non-financial, and can be beneficial to both the business and different stakeholders. An emphasis in this subject is for students to understand how value is created, how business functions and activities support value creation, and how crucial effective decisions are to a business.

Decision-making is rarely confined to the top echelon of an organisation nowadays. In an increasingly complex business environment it is imperative that staff at all levels, with different roles and responsibilities, engage in decision-making. H2 MOB will require students to consider multiple perspectives, ethical concerns and the internal and external environment of business, and develop decision-making skills.

This subject is not intended as a pre-requisite for any future business-related courses and no prior knowledge is required.

AIMS

H2 MOB seeks to develop students' knowledge of business activities and the skills necessary to make well-reasoned business decisions that will create value for stakeholders.

Students will understand the role of business and its main activities, including marketing, managing people, operations and finance, to create value for stakeholders. In order to make well-reasoned business decisions, students will learn about business concepts and theories and consider the perspectives of stakeholders, as well as ethical concerns and external factors. As they learn to make well-reasoned business decisions, students will develop analytical, evaluative and communication skills, as well as critical and innovative thinking skills.

Knowledge and Understanding

The syllabus seeks to develop in students an understanding of:

- (a) the environment in which businesses operate
- (b) the role of business in creating value for stakeholders
- (c) the decision-making process, taking into consideration perspectives of stakeholders, ethical concerns, and external factors such as political, economic, socio-cultural, technological, legal and ecological factors
- (d) the importance of the four business functions and their activities, specifically marketing of products and managing of people, operations and finance, to support the business in value creation
- (e) the tools to analyse the internal and external business environment
- (f) the interrelationships among the four business functions
- (g) strategic management to gain and sustain long-term competitive advantage.

Skills

The syllabus seeks to develop in students the ability to:

- (a) apply concepts and theories to a variety of business issues and situations
- (b) interpret, analyse and synthesise qualitative and quantitative business information for decision-making
- (c) think critically and innovatively when evaluating business issues and situations
- (d) make decisions to achieve business objectives
- (e) recommend and communicate strategies and decisions.

Values and Attitudes

The syllabus seeks to develop in students the values and attitudes to:

- (a) be responsible and care for society and the environment
- (b) have integrity to uphold ethical considerations in decision-making
- (c) be aware of their future roles and responsibilities as part of an organisation
- (d) appreciate how their contributions at the individual level can impact business and society.

ASSESSMENT OBJECTIVES

Candidates are expected to:

AO1 Knowledge and Understanding

Demonstrate knowledge and understanding of concepts, theories and approaches in business management

AO2 Application

Apply relevant concepts, theories and approaches in given business issues and situations

AO3 Analysis

Analyse business issues and situations, and draw valid inferences

AO4 Evaluation

Synthesise and evaluate quantitative and qualitative information to make well-reasoned judgement and informed decisions to solve business issues

SCHEME OF ASSESSMENT

The assessment comprises two written examination papers. Candidates are required to take both papers.

	Description	Overall Marks (Weighting)	Duration
Paper 1 Data Response and Essay Questions	<p><u>Section A: Data Response Questions (50 marks, 25%)</u> There will be two compulsory data response questions.</p> <p>Candidates are required to answer all part-questions in each data response question.</p> <p>Each data response question will carry 25 marks.</p> <p><u>Section B: Essay Questions (50 marks, 25%)</u> Candidates are required to answer two essay questions from a choice of three.</p> <p>Each essay question will carry 25 marks.</p>	100 marks (50%)	3 hours
Paper 2 Case Study	<p>There will be one compulsory case study based on an adapted real business situation. Structured and essay questions will be set based on the case study. Candidates are required to answer all the questions in this paper.</p> <p><u>Section A: Structured Questions (60 marks, 30%)</u> There will be five compulsory structured questions.</p> <p>Each structured question will carry about 8 to 14 marks.</p> <p><u>Section B: Essay Questions (40 marks, 20%)</u> There will be two compulsory essay questions which will focus on strategic decision-making (Unit 6).</p> <p>Each essay question will carry 20 marks.</p>	100 marks (50%)	3 hours

SPECIFICATION GRID

	AO1 Knowledge and Understanding	AO2 Application	AO3 Analysis	AO4 Evaluation	Total
Paper 1	20 m [10%]	26 m [13%]	30 m [15%]	24 m [12%]	100 m [50%]
Paper 2	20 m [10%]	24 m [12%]	30 m [15%]	26 m [13%]	100 m [50%]
Total	40 m [20%]	50 m [25%]	60 m [30%]	50 m [25%]	200 m [100%]

The skills are weighted to give an indication of their relative importance. They are not intended to provide a precise statement of the number of marks allocated to particular skills.

DESCRIPTION OF COMPONENTS

Paper 1 (Data Response and Essay Questions)

Candidates are required to answer all questions in Section A and two questions from Section B.

Section A will consist of two compulsory data response questions each carrying 25 marks. Each question will focus mainly on one syllabus section and comprise of no more than one page of data. There will be four part-questions for each set of data, which may include further sub-parts. The last one or two part-questions are likely to draw knowledge from other sections of the syllabus, as well as the main focus of that data set. Candidates are required to answer all part-questions within each data response question.

Section B will consist of three essay questions. At least one of the three questions will have parts (a) and (b). Candidates are required to answer two out of the three questions. Each essay question will carry 25 marks.

Paper 1 will not assess Unit 6 Strategic Management.

Paper 1 carries a total of 100 marks.

Paper 2 (Case Study)

There will be one compulsory case study based on an adapted real business situation. The case study materials will consist of no more than three pages of quantitative and qualitative information. Integration of knowledge across all sections of the syllabus will be required. Candidates are required to answer all the questions in this paper.

Section A will consist of five compulsory structured questions each carrying about 8 to 14 marks. Two of the questions may involve calculations based on the data provided.

Section B will consist of two compulsory essay questions that are based on the context of the case study material, and will focus on strategic decision-making (Unit 6). Each question will carry 20 marks.

Paper 2 carries a total of 100 marks.

USE OF A CALCULATOR

The use of a calculator as approved by the Singapore Examinations and Assessment Board is allowed for both papers.

SYLLABUS CONTENT

Content Outline

The syllabus content is organised into six main sections as follows:

1 Business and the environment

- 1.1 Nature and purpose of business
- 1.2 Business structure
- 1.3 Growth of business
- 1.4 Globalisation
- 1.5 Decision-making

2 Managing people

- 2.1 Nature and purpose of management
- 2.2 Organisational structure
- 2.3 Human resource management
- 2.4 Leadership
- 2.5 Motivation
- 2.6 Communication

3 Marketing

- 3.1 Nature and purpose of marketing
- 3.2 Market analysis and strategies
- 3.3 Market intelligence
- 3.4 Market segmentation, targeting and positioning
- 3.5 The marketing mix

4 Operations management

- 4.1 Nature and purpose of operations management
- 4.2 Operations planning and control
- 4.3 Methods of operations
- 4.4 Productivity and efficiency
- 4.5 Capacity utilisation, outsourcing and off-shoring
- 4.6 Quality management
- 4.7 Inventory management

5 Finance

- 5.1 Nature and purpose of finance
- 5.2 Sources of finance
- 5.3 Bases of cost allocation
- 5.4 Financial performance analysis
- 5.5 Cash flow forecast and budgeting
- 5.6 Investment appraisal

6 Strategic management

- 6.1 Nature and purpose of strategic management
- 6.2 Strategic analysis
- 6.3 Strategic choice
- 6.4 Strategic implementation and evaluation

Detailed Content

1 Business and the environment

This section provides an understanding of business and the external environment. The emphasis is on the business creating value for the different stakeholders through decision-making. In order to create value, business must establish clear objectives and take into consideration the internal and external environment of business in its decision-making process.

Students will discuss how business creates value to meet the interests of various stakeholders. To create value, students will apply the decision-making process to address business issues and situations, while considering the impact of external factors in decision-making. Students will also discuss the growth of business to become a multinational player in the global arena.

1.1 Nature and purpose of business

- Primary purpose: to create value for the various stakeholders of the business
 - Importance of value to various stakeholders
 - Measurement of value: financial and non-financial
- Stakeholders: individuals or groups with an interest in the activities of a business
 - Customers, shareholders/owners, suppliers, employees, government agencies, public interest groups, local communities, trade associations, unions and the media
 - Importance and influence of stakeholders on business decision-making
 - Conflict of interest and priorities between stakeholders

Note: *Competitors are not considered a stakeholder.*

Note: *Students are **not** required to differentiate between internal and external stakeholders.*

- Business objectives: survival, profit maximisation, profit satisficing and growth
 - Importance of objectives at strategic and functional level
 - Role of objectives in business decision-making
 - Establishing priority in importance of objectives
 - Change of objectives across time and stage of business

1.2 Business structure

- Legal structure: sole proprietorship, partnership, private limited company and public limited company
 - Features of each legal structure
 - Factors influencing choice of legal structures
- Economic sectors
 - Roles of primary, secondary and tertiary sector business
 - Roles of public and private sectors
 - Other types of organisation: public-private partnerships, non-profit organisations, non-governmental organisations, social enterprise and charities

Note: *Students are **not** required to know features of other types of organisation.*

1.3 Growth of business

- Criteria to measure size of business
 - Examples of criteria: labour force, capitalisation, market share and output
- Small and Medium-sized Enterprise (SMEs)
 - Importance and role of SMEs in the economy
 - Benefits and challenges of an SME
- Large businesses
 - Importance and role of large businesses in the economy
 - Benefits and challenges of a large business
- Economies and diseconomies of scale
 - Types of economies and diseconomies of scale
 - Distinction between internal and external economies of scale

- Organic and external growth
 - Ways a business can grow organically (internally)
 - Ways a business can grow externally: joint ventures, strategic alliance, mergers and takeovers

1.4 Globalisation

- Multinational business
 - Reasons for growth of multinational business
 - Importance of multinational business in the global economy
 - Influence of multinational business on host country
- International connectivity
 - Impact of how events in another country will affect the business

1.5 Decision-making

- The decision-making process
 - Identify the decision situation
 - Gather information and generate options
 - Analyse options
 - Decide on the best option
 - Implement the decision
 - Monitor and evaluate results
- External factors affecting decision-making (PESTLE)
 - Political: policies and international agreements set by government bodies
 - Economic: business enablers and constraints due to market climate and economic cycle
 - Socio-cultural: society's culture, norms and values
 - Technological: creation of new processes and products due to advancement in technology
 - Legal: laws and regulations
 - Ecological: environmental issues
- Information for decision-making
 - Examples: government statistics, trade figures, consumer price index, and official websites
 - Characteristics of useful information for decision-making
 - Methods of presenting data and information

2 Managing people

This section explores the art and science of managing people to create value for stakeholders. Businesses design structures and processes as well as adopt management concepts to maximise the potential of the workforce in the organisation. Decisions on managing people include determining the right structure to meet the objectives of the business. The business will also decide on procedures to manage the workforce effectively and efficiently, through the use of appropriate leadership, motivation and communication measures on employees. External factors influencing decisions on managing people and implications of such decisions on other business functions must be considered during the decision-making process.

Students will discuss how managing people effectively contributes to value creation. They will consider the appropriate organisational structure of a business for the effective planning and management of human resources. Students will also discuss the effective approaches of leadership, motivation and communication.

2.1 Nature and purpose of management

- Importance of management
 - To achieve outcomes by way of managing people effectively
- Functions of management
 - The functions of management include planning, organising, leading, controlling

Note: *Students **are** required to draw connections between the functions of management and the other sections in this syllabus.*

2.2 Organisational structure

- Elements of organisational structure
 - Hierarchy of authority; span of control; authority, responsibility and delegation; centralisation versus decentralisation
- Approaches to organisational structure
 - Mechanistic versus organic approach
- Design of organisational structure
 - Simple; functional; divisional (by product, customer, geographic location etcetera); matrix (horizontal and vertical)

2.3 Human resource management

- Planning the human resources needed
 - Understanding current employee needs
 - Predicting future employee needs
- Human resource activities: recruitment and selection; orientation, training and development; performance appraisal; compensation; promotions, transfers, disciplining and dismissals
 - Tasks involved for each human resource activity
- Tripartite relationship
 - Conflict of objectives between management and workforce
 - Importance of tripartite relationship
 - Impact of tripartite relationship on human resource management

Note: *Students are **not** required to know detailed tripartite committees and initiatives.*

2.4 Leadership

- Leadership style
 - Autocratic, democratic, paternalistic, laissez-faire, situational

Note: *Students are **not** required to know the situational theories of leadership such as the Blanchard and Hersey Model and House's path-goal theory.*
- Factors affecting leadership style
 - Task, organisation tradition, type of labour force, size of team, personality of leader, personality of team, situation

2.5 Motivation

- Rewards and motivation
 - Extrinsic rewards versus intrinsic rewards
- Motivation theories
 - Needs theories: Maslow, Herzberg and McClelland
 - Process theories: expectancy and equity theory
- Incentives to motivate
 - Financial versus non-financial incentives

2.6 Communication

- The communication process
 - Sender, message and receiver; encoding and decoding; the medium; feedback; noise

Note: *Students are **not** required to explain in detail each element of the communication process.*
- Communication channels
 - Formal communication channels: vertical communication; horizontal communication; external communication
 - Informal communication channels: grapevine; management by walking around/wandering about
- Barriers to effective communication
 - Types of barriers: physical barriers; semantic barriers; personal barriers
 - Methods to overcome barriers and improve communication effectiveness

3 Marketing

This section focuses on the contribution of the marketing function to enhance business competitiveness, and consequently create value for stakeholders. Marketing decisions involve identifying the target customers and the positioning of the product through effective market research, and to develop and implement a suitable marketing mix thereafter. External factors influencing marketing decisions and implications of such decisions on other business functions must be considered during the decision-making process.

Students will discuss the significance of a marketing orientation and consider the satisfaction of customer needs by being marketing oriented. They will also discuss the development of an effective marketing mix based on the product positioning.

3.1 Nature and purpose of marketing

- Types of market
 - Consumer; business; government
- Types of marketing indices: market size; market growth; market share
 - Measuring marketing indices
- Marketing perspectives: marketing concept; product concept; production concept
 - Distinction between marketing perspectives
 - Appropriateness and examples of marketing perspectives
- Marketing objectives
 - Importance of setting marketing objectives
 - Types of objectives: market leadership; market share; profitability
 - Supporting objectives include brand awareness and attitude change

3.2 Market analysis and strategies

- Product portfolio analysis: Boston Consulting Group (BCG) Matrix
 - Usefulness in analysing product portfolio in terms of market share and market growth
- Product and market growth strategies: the Ansoff Matrix
 - Product and market risk review
 - Market penetration; market development; product development; diversification
 - Usefulness in considering growth strategies

3.3 Market intelligence

- Importance of market intelligence
 - Need to understand the customer
 - Need for sales forecasting
 - Benefits and limitations of sales forecasts

Note: *Students are **not** required to know methods of forecasting.*
- Primary and secondary research
 - Distinction between primary and secondary research
 - Features of primary and secondary research

3.4 Market segmentation, targeting and positioning

- Market segmentation
 - Importance of market segmentation
 - Bases of market segmentation: geographical, demographic, behavioural
 - Types of segmentation: mass marketing versus niche marketing
- Market targeting
 - Criteria for selecting a target market
- Market positioning: perceptual map and unique selling proposition
 - Usefulness of perceptual map
 - Importance of unique selling proposition and product differentiation

3.5 The marketing mix

- Product
 - Classification of product: goods (tangible) and services (intangible)
 - Product life cycle
 - Stages in a product life cycle
 - Importance of each stage in a product life cycle
- Price
 - Importance of price
 - Factors affecting pricing decisions
 - Internal: costs and business objectives
 - External: competition, demand and external environment
 - Pricing strategies:
 - New product pricing: penetration pricing versus price skimming
 - Existing product pricing: cost-based pricing, breakeven pricing, perceived value pricing and psychological pricing

Note: Students are **not** required to know other pricing strategies not listed above.

- Promotion
 - Importance of promotion
 - Types of promotional tools: advertising; sales promotion; personal selling; publicity and public relations; online promotion
 - Integrated marketing communications
 - Factors affecting choice of promotional tool
 - Nature of product
 - Stage in product life cycle
- Place (Distribution)
 - Importance of distribution channels
 - Types of distribution channel
 - Direct versus indirect
 - Wholesaler versus retailer
 - Factors affecting choice of channel of distribution: product; costs involved; nature of markets and locations; competition

4 Operations management

This section introduces an understanding of the management of resources to achieve efficient production of goods and services, in supporting the business to create value for stakeholders. Operational decisions involve the planning, control and design of operation methods to optimise efficiency and productivity, as well as to improve quality and processes. Another aspect of operational decisions concerns the management of inventory. External factors influencing operational decisions and implications of such decisions on other business functions must be considered during the decision-making process.

Students will discuss the optimal efficiency and productivity of a business, as well as consider the improvement of quality and process in operations. Students will also evaluate the effectiveness in the management of inventory.

4.1 Nature and purpose of operations management

- Importance of operations management
 - Managing the transformation process, productivity, quality and inventory
- Operational (transformational) process: inputs, process, outputs
 - The transformation of resources into goods and services
- Value-added
 - Concept and importance of value-added

4.2 Operations planning and control

- Importance of operations planning and control
 - Operations planning and control allows a business to set targets, timelines and the operation method, and to ensure the plans are adhered to with appropriate actions taken if otherwise
- Activities of planning and control
 - Activities include loading, sequencing, scheduling, monitoring and control

4.3 Methods of operations

- Operation methods: job, batch and flow
 - Features
 - Advantages and disadvantages
 - Factors affecting choice of production method:
 - Nature of product
 - Size of market

Note: *Students are **not** required to know other factors affecting choice of production method.*

- Capital and labour intensity
 - Advantages and disadvantages of capital and labour intensive methods
 - Factors affecting choice of capital or labour intensive approach
 - Nature of product and size of market
 - Relative cost of labour and capital
 - Quality and quantity of education in country

4.4 Productivity and efficiency

- Importance of productivity and efficiency
 - Productivity ensures that a business produces more with the same amount of resources
 - Efficiency implies that the business is maximising operations capability to produce minimum waste
- Ways to improve productivity and efficiency
 - Upgrade skill levels of workers through training
 - Leverage technology
 - Improve management efficiency
 - Increase employee motivation levels

4.5 Capacity utilisation, outsourcing and off-shoring

- Capacity utilisation
 - Importance of capacity utilisation
 - Calculation of capacity utilisation
- Capacity excesses and shortages
 - Effects and implications
 - Approaches to overcome capacity excesses and shortages
- Outsourcing
 - Reasons for outsourcing
 - Risks of outsourcing
- Off-shoring
 - Reasons for off-shoring
 - Risks of off-shoring

4.6 Quality management

- Importance of quality
 - Implications of poor quality
- Approaches to ensure quality
 - Quality control-
 - Quality assurance
 - Quality improvement phases: Plan, Do, Check, Act

4.7 Inventory management

- Inventory
 - Types of inventory
 - Importance of inventory within a business
 - Costs and benefits of holding inventory

- Inventory control methods
 - Inventory control charts
 - Maximum inventory level; recorder level; minimum inventory level (buffer inventory); reorder quantity; lead time
 - Just-In-Time (JIT)
 - Operation of JIT
 - Benefits and limitations

Note: Students **are** required to interpret inventory control charts.

5 Finance

This section emphasises the importance of finance management, including the sourcing of funds, allocation of costs, analysing the financial performance and forecasting the future financial needs of the business. The finance function focuses on decisions raising and utilising of funds, as well as means to improve the financial position of the business. External factors influencing financial decisions and implications of such decisions on other business functions must be considered during the decision-making process.

Students will discuss the suitable source of finance and the optimal mix of sources for a business, and evaluate the effective and efficient utilisation of funds. Students will also consider the impact of the financial position of the business on decision-making.

5.1 Nature and purpose of finance

- Financial objectives
 - Importance of setting financial objectives
 - To maximise the wealth of shareholders
 - Raising funds at lowest possible costs
 - Utilising funds to maximise returns at minimum risks

- Need for finance
 - Start-up capital
 - Growth and expansion

5.2 Sources of finance

- Financial institutions and markets
 - Money and capital markets

- Legal structure and sources of finance
 - Relationship between legal structure and sources of finance

- Types of sources of finance
 - Short-term versus long-term financing
 - Debt versus equity financing
 - The optimal mix of debt and equity financing
 - Internal versus external sources

- Factors affecting sources of funds
 - Factors include cost, risk bearing by fund providers, flexibility, degree to retain control, gearing position

5.3 Bases of cost allocation

- Classification of costs
 - Fixed and variable
 - Direct and indirect
- Importance of costing
 - Costing could be used for pricing decisions, calculating profits, determining resource requirements at different levels of output, and make or buy decisions
- Approaches to costing
 - Full costing
 - Uses and limitations of full costing
 - Marginal costing
 - Explanation of marginal costing
 - Situations where marginal costing is used
 - Limitations of marginal costing
- Breakeven Analysis
 - Calculation and interpretation of breakeven quantity, breakeven point, margin of safety and profit
 - Uses and limitations of breakeven analysis

5.4 Financial performance analysis

- Financial statements: Statement of Profit and Loss, commonly known as Income Statement; Statement of Financial Position, commonly known as Balance Sheet; Statement of Cash Flows
 - Purpose, components and uses of financial statements

Note: *Students **are** required to understand and interpret financial statements, but are **not** required to prepare them.*
- Financial ratios
 - Interpretation and uses of financial ratios
 - Liquidity ratios: working capital or current ratio; quick or acid-test ratio
 - Profitability ratios: gross profit margin; profit margin; return on equity
 - Gearing ratio: debt to equity ratio
 - Investment ratios: dividend yield; earnings per share

Note: *Students are **not** required to calculate financial ratios*
- Cash flow management
 - Define working capital
 - Explanation of the working capital cycle
 - Management of working capital

5.5 Cash flow forecast and budgeting

- Cash flow forecast
 - Importance of cash flow forecast
 - Uses of cash flow forecast
 - Factors affecting uncertainty in cash flow forecast
- Budgeting
 - Importance of budgeting
 - Role of budget and need for budgetary control in decision-making
 - Allocating resources, controlling and monitoring of the business
 - Benefits and drawbacks from the use of budgets
- Budgetary control technique: variance analysis
 - Explanation of variances
 - Adverse and favourable variances
 - Calculation and interpretation of variances

5.6 Investment appraisal

- Capital investment appraisal
 - Importance of investment appraisal
 - Relevant risk in investment decisions
- Investment appraisal techniques
Meaning, calculation and interpretation of:
 - Payback
 - Average Rate of Return
 - Net Present Value

6 Strategic management

This section integrates business concepts and tools for analysis to decide and implement strategies for value creation. The strategic framework consisting of strategic analysis, strategic choice and strategic implementation will be adopted to manage the activities of the business and to attain long-term competitive advantage. Strategic management involves analysing the internal and external environment of the business, as well as deciding and implementing business-level and corporate-level strategies. Knowledge of business and the environment, and the four business functions must be synthesized, and applied in a cross-functional and holistic manner.

Students will discuss the current strategic position of a business, and evaluate the strategic decision made from available options. Students will also consider the approaches to implement the strategies.

6.1 Nature and purpose of strategic management

- Importance of strategic management
 - Manage the activities of the business to attain long-term competitive advantage
- Competitive advantage
 - Importance of competitive advantage
 - Ways to obtain competitive advantage
 - Approaches and methods to sustain competitive advantage

6.2 Strategic analysis

- Strategic purpose: mission, vision and values
 - Importance of mission, vision and values in strategic management process
- Corporate governance
 - Importance of corporate governance
 - Emergence of business ethics and corporate social responsibility as part of corporate governance
 - Business ethics to be framed using ethical issues; namely, conflict of interest, and fairness and honesty
 - Consideration of business ethics and corporate social responsibility on decision-making
- Analysis of internal environment
 - Resources (*relates to content in Managing people, Operations management and Finance*)
 - Capabilities (*relates to content in Managing people*)
 - Core competencies (*relates to content in Marketing and Operations management*)
 - Activities (*relates to content in Operations management*)
 - SWOT Analysis – Strengths and Weaknesses
- Analysis of external environment
 - PESTLE Model (*relates to content in Business & the environment*)
 - Porter's Five Forces
 - SWOT Analysis – Opportunities and Threats

6.3 Strategic choice

- Business-level Strategy
 - Differentiation (*relates to content in Managing people and Marketing*)
 - Value drivers and differentiation strategy
 - Cost-leadership (*relates to content in Operations management and Finance*)
 - Cost drivers and cost-leadership strategy
- Corporate-level strategy
 - Vertical integration (*relates to content in all four functions of business*)
 - Backward and forward integration
 - Diversification (*relates to content in all four functions of business*)
 - Product diversification
 - Industry diversification
 - Geographical diversification

Note: Students are not required to make strategic decisions using other corporate-level strategies such as mergers and acquisitions; and strategic alliances.

6.4 Strategic implementation and evaluation

- Organisational design (*relates to content in Managing people*)
 - Organisational structure
 - Allocation of resources
 - Organisational culture
- Strategic leadership (*relates to content in Managing people*)
 - Role of strategic leader
 - Leadership styles
 - Communicating the strategy
- Change management
 - Reasons for change
 - Resistance to change
 - Methods to manage change
- Measurement of success (*relates to content in all four functions of business*)
 - Employee motivation and engagement
 - Market share and growth
 - Productivity and efficiency
 - Return on investment