

Strategic and International Management

– 1. Foundations of management

Strategic and International Management

Agenda

- 1 Foundations of management**
- 2 Stakeholders, objectives, and governance**
- 3 Strategic decision making and performance**
- 4 Strategy analysis**
- 5 Competitive strategies**
- 6 Strategy implementation**

Strategic and International Management

Agenda

1 Foundations of management

1.1 The “what” ...

1.2 The “why” ...

1.3 The “how” ...

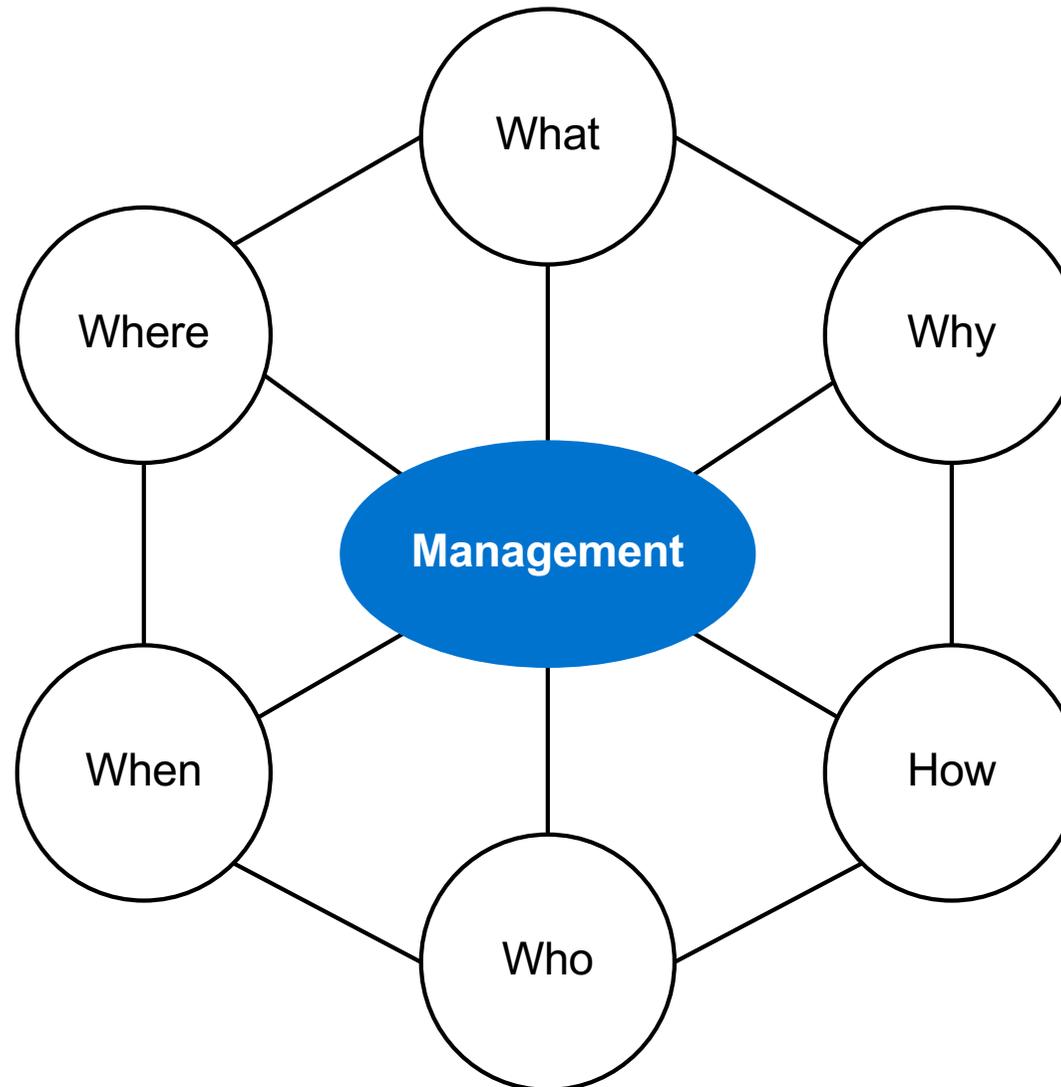
1.4 The “who” ...

1.5 The “when” ...

1.6 The “where” of management

Learnings

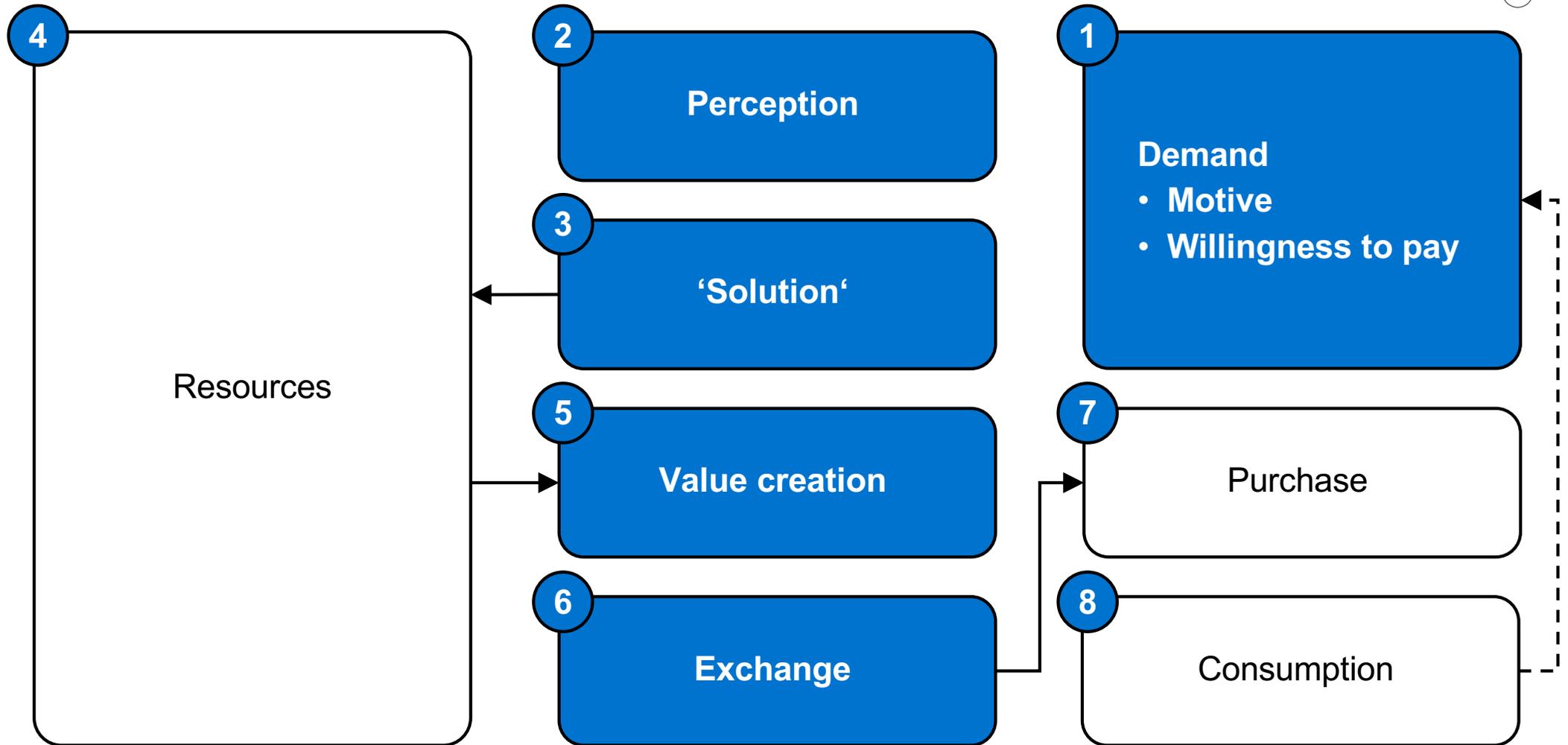
Management can be characterized along six dimensions





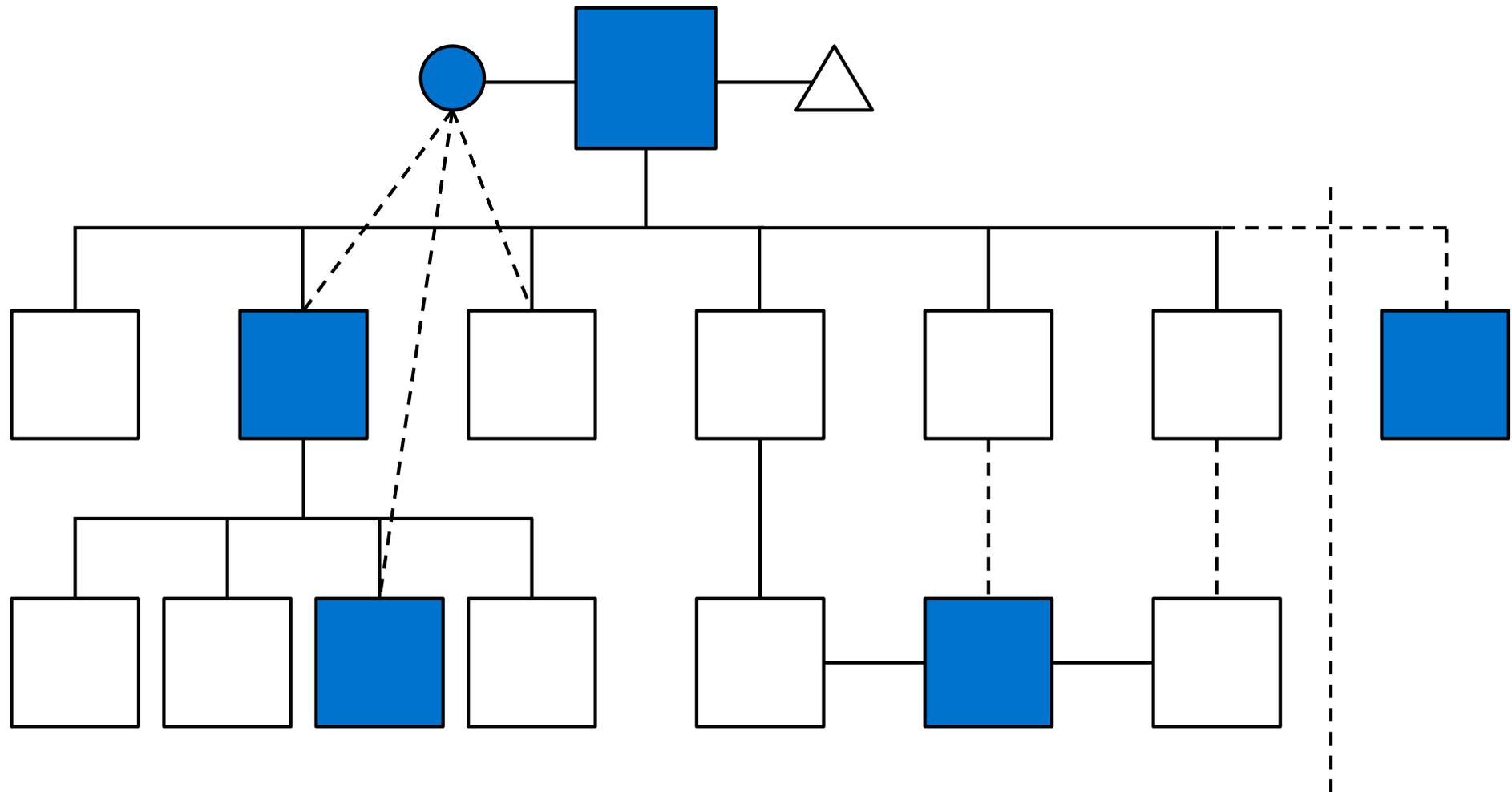
Management is managing a business

Management as the central function in developing a business



Management is managing an organization

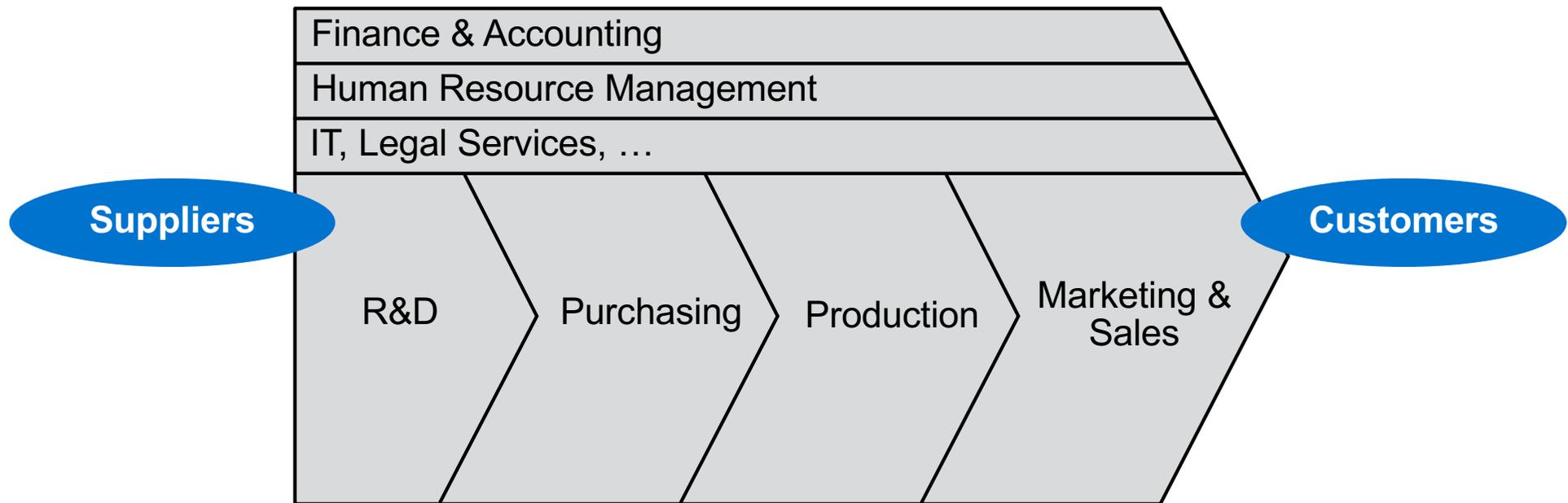
Coordination of internal relationships





Management is organizing flows of goods, information, and currency

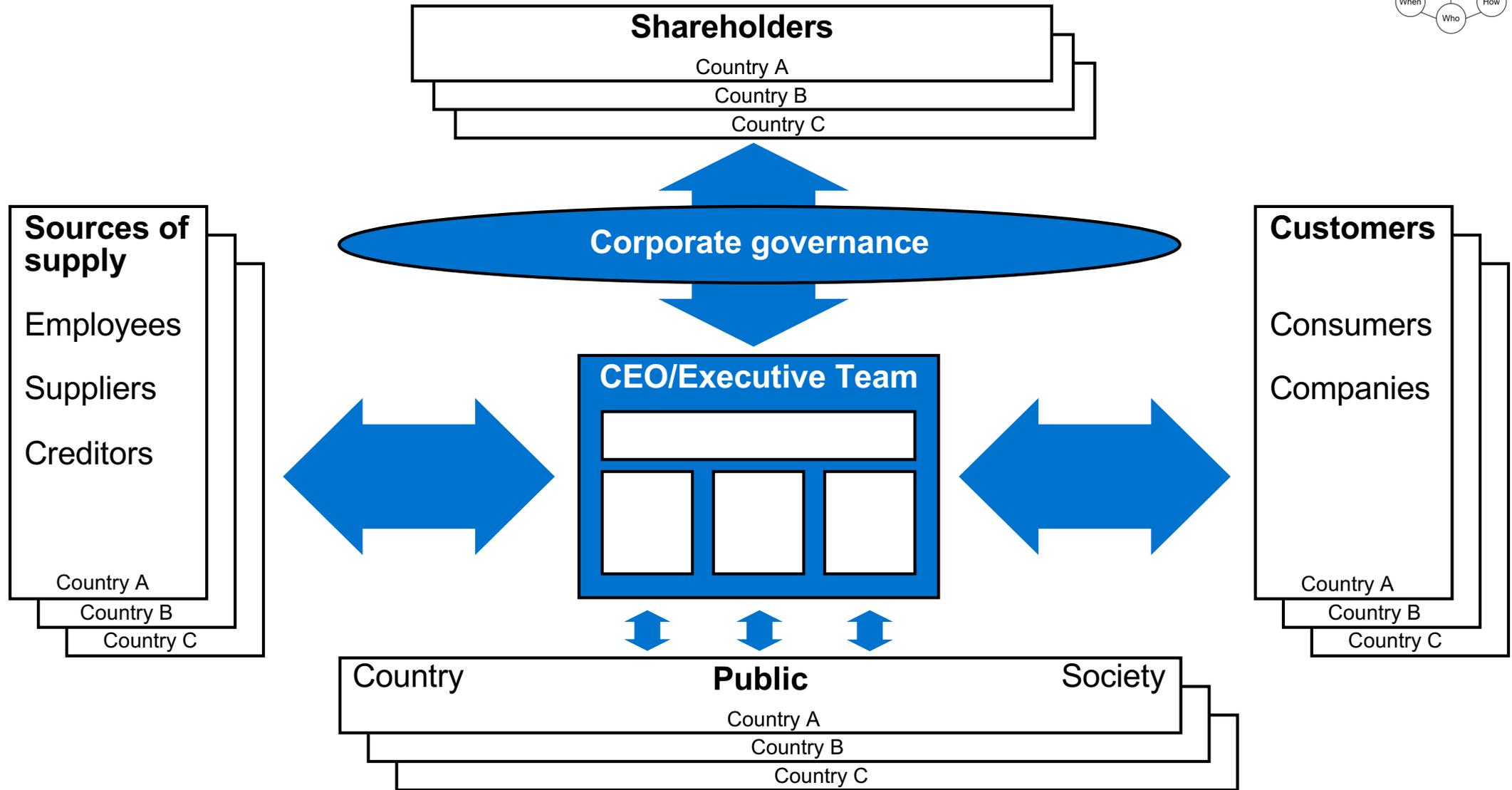
Coordination of internal and external flows





Management is managing relationships to stakeholders

Coordination of external relationships





Exercise: Please pick a company of your choice and analyze what stakeholders want and what they contribute

Stakeholders

Who are they?

What do they want?

What do they contribute?

Customers

Sources of supply

- Employees
 - Suppliers
 - Creditors
-

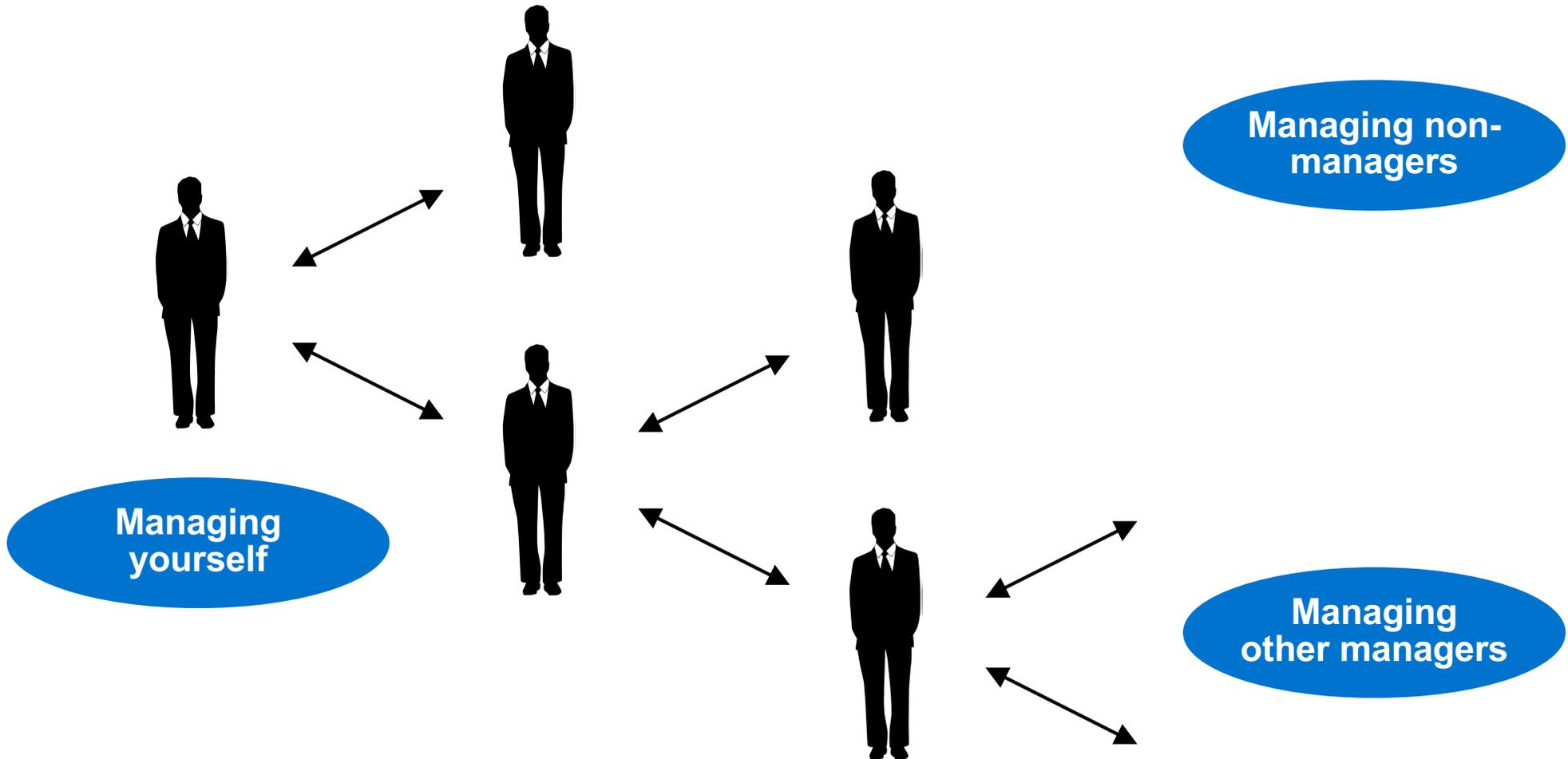
Shareholders

Public



Management is managing non-managers, other managers and yourself

Coordination and motivation towards humans



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Management needs objectives to set out a path to go



If you don't have a goal, you don't know where to go.

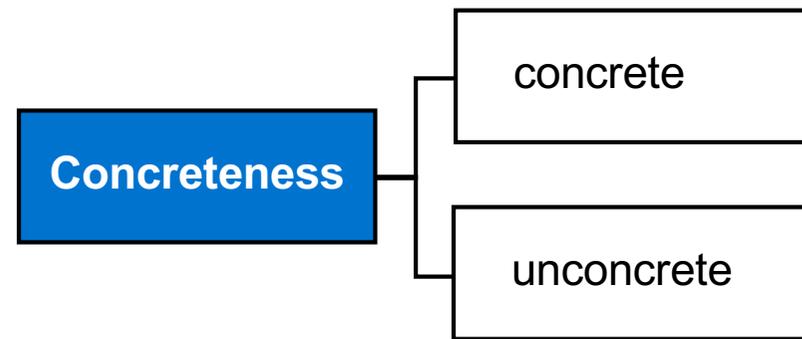
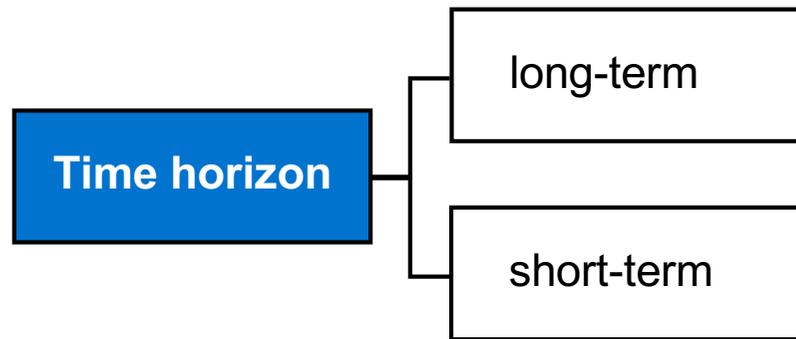
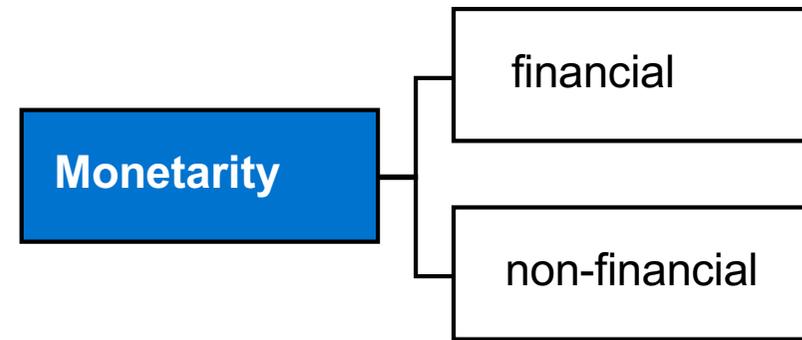
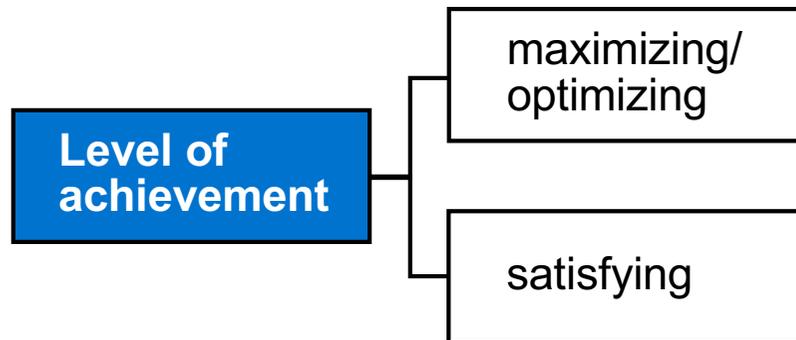
Source: Janosch, 1978

A strategy's instruments are used to pursue an actor's intentions

Strategy's intentional and instrumental level



Objectives could have different forms



Exercise: Please categorize company objectives that you know from the daily business press

Objective

Level of achievement

Time horizon

Monetarity

Concreteness

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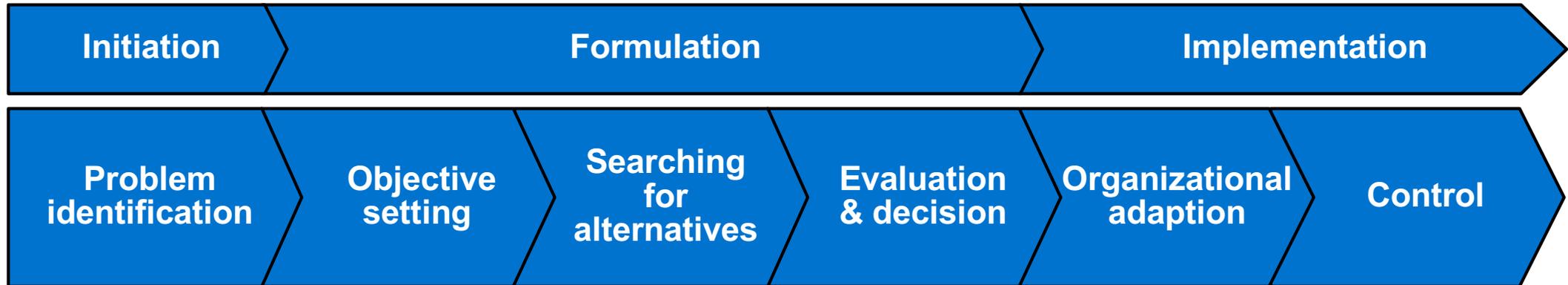
1.6 The “where” of management

Learnings



Management is making decisions and implementing them

Management process

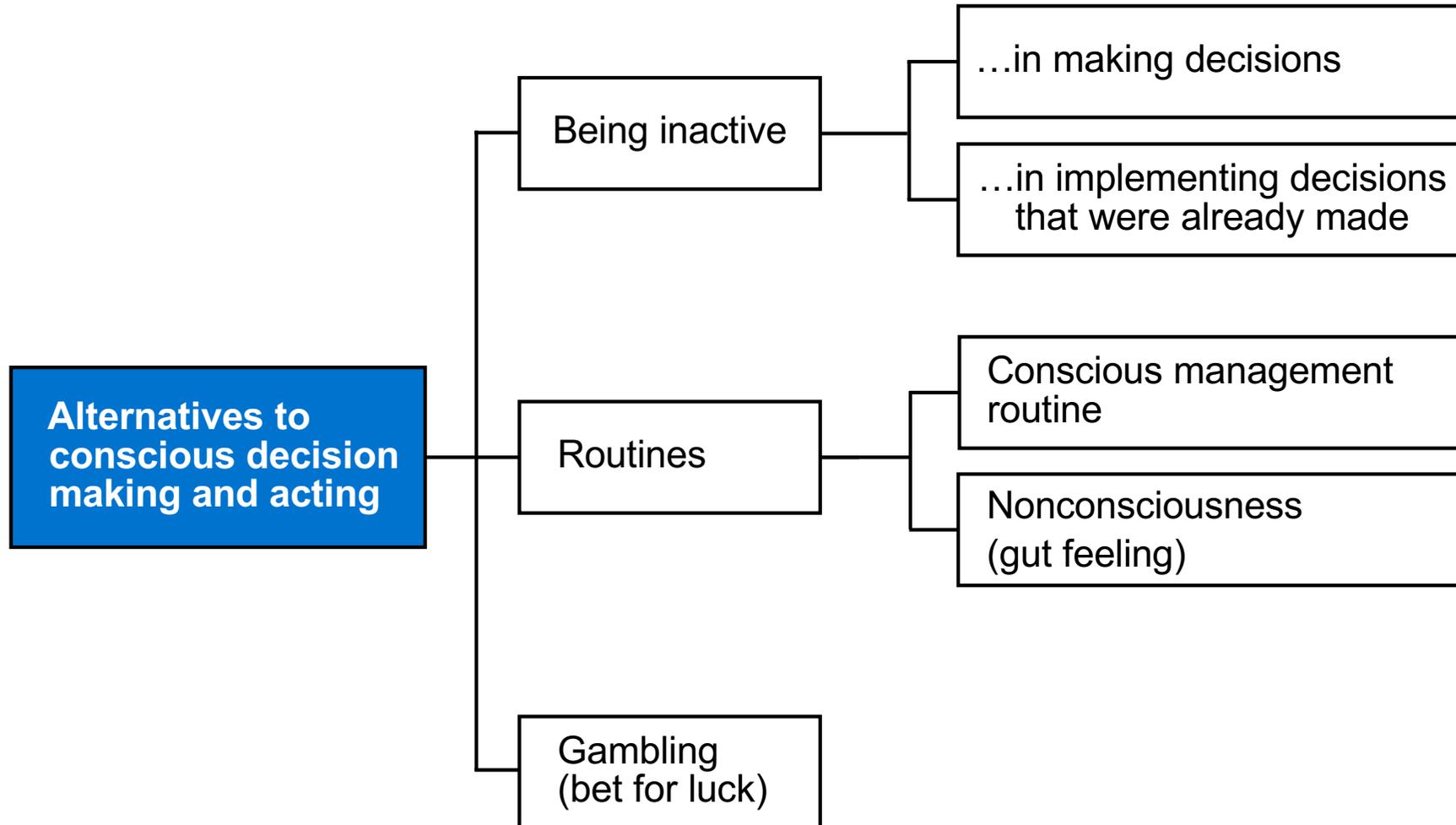


Perception	Types of objectives	External analysis	Utility / Value	Structures / responsibilities	Objectives-results-comparisons
Identification	Level of achievement	Internal analysis	Costs	Processes	Pre-post-comparisons
Structuring	Time horizon	Options (stand-alone)	Risks Selection	Systems	Initiation of new processes
Processing	Concreteness Monetarity	Options (programs)		Culture Governance Ownership ...	



Not all management is conscious

Alternatives to decision procedures



Exercise: Please review your decisions you took throughout the last year and characterize them

**Conscious
decision-making**

Routines

Being inactive

Gambling

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Management has to be distinguished from other roles

Management versus supervision versus ownership

		Ownership	
		No	Yes
Mandate to manage	Yes	Non-owner manager	Owner manager
	No	Non-owner employee	Non-manager owner

		Ownership	
		No	Yes
Mandate to supervise	Yes	Non-owner supervisory board member	Owner supervisory board member
	No	Non-owner manager or employee	Non-supervising owner

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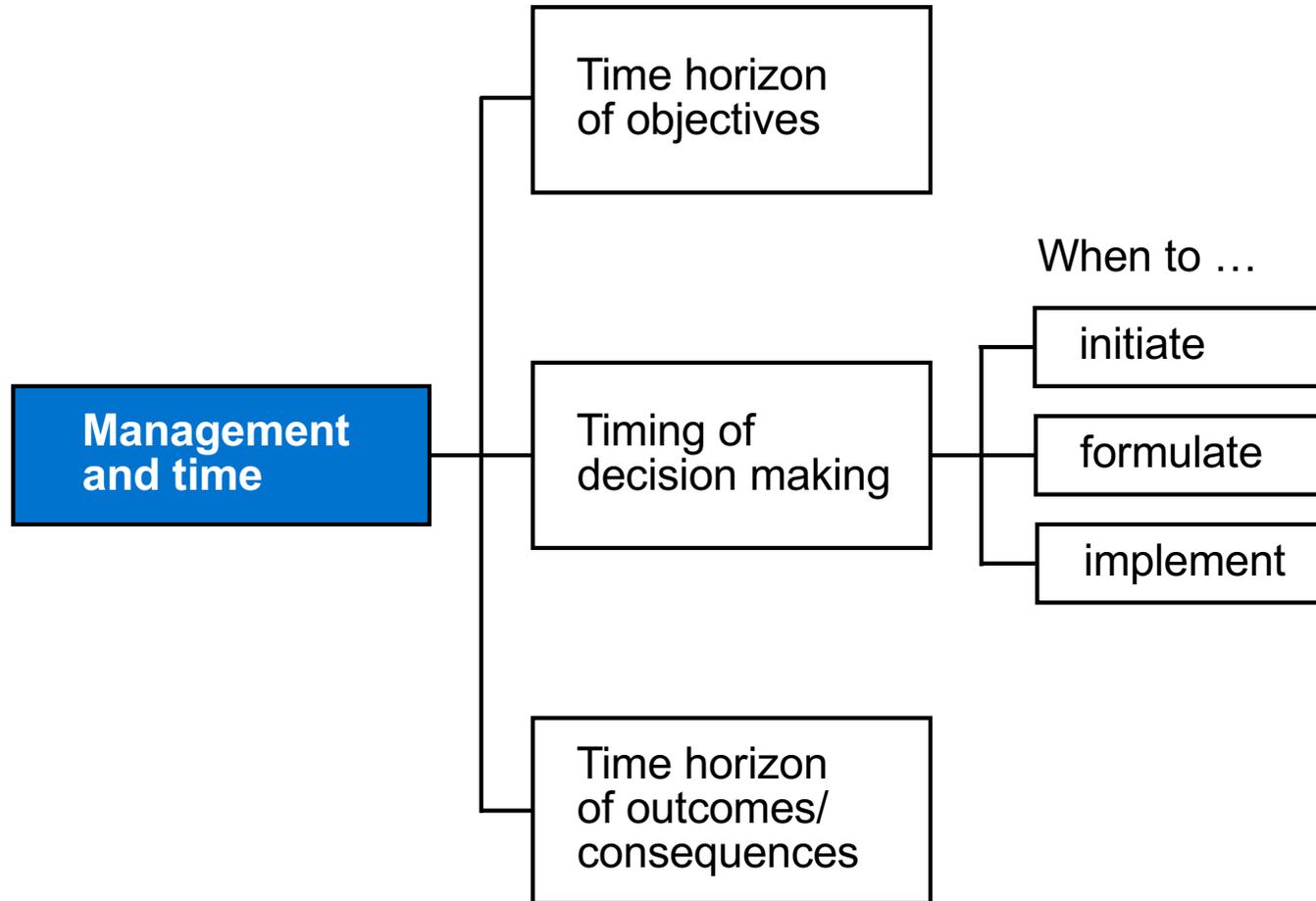
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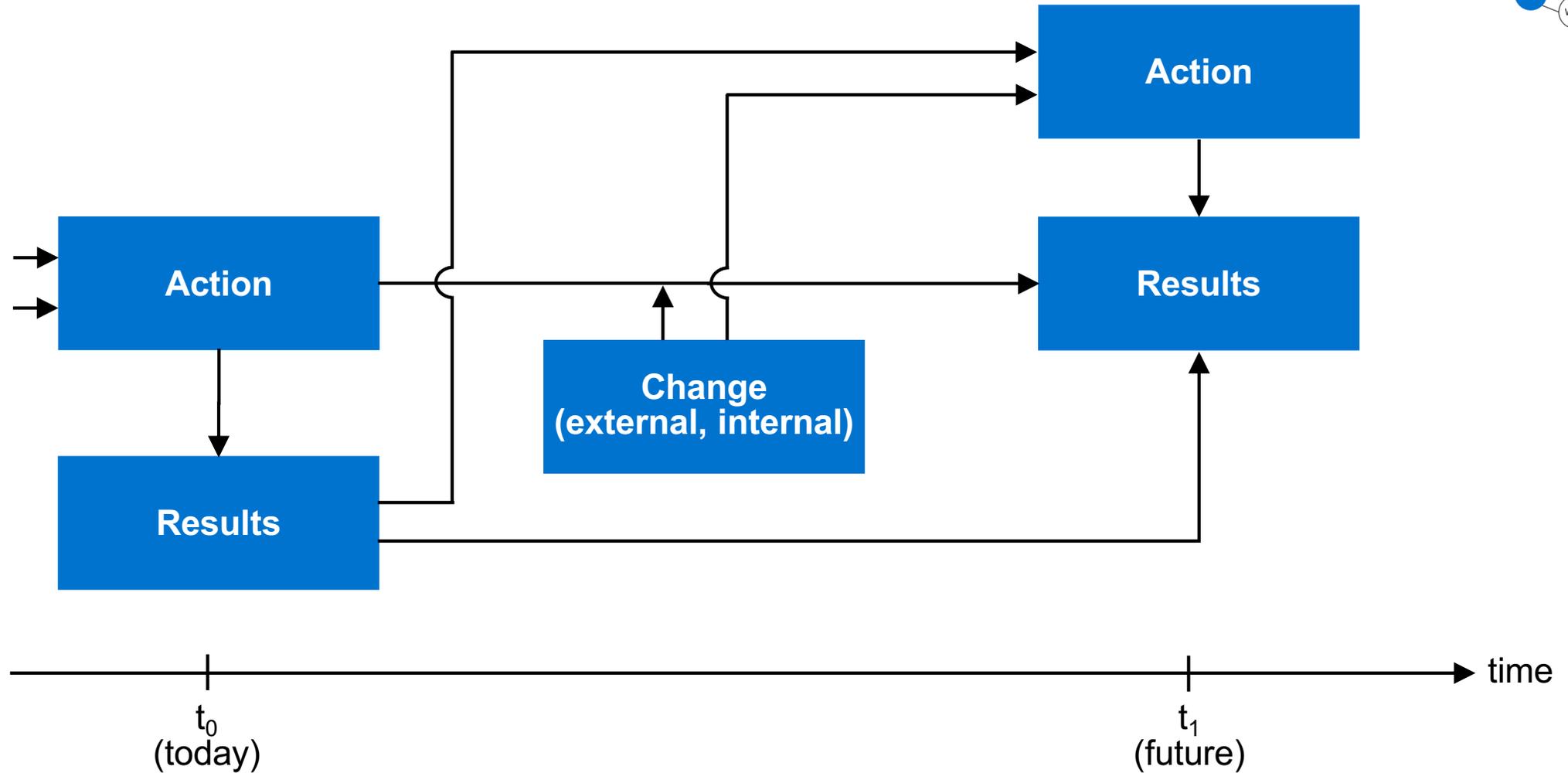
The time horizon influences each part of the management process





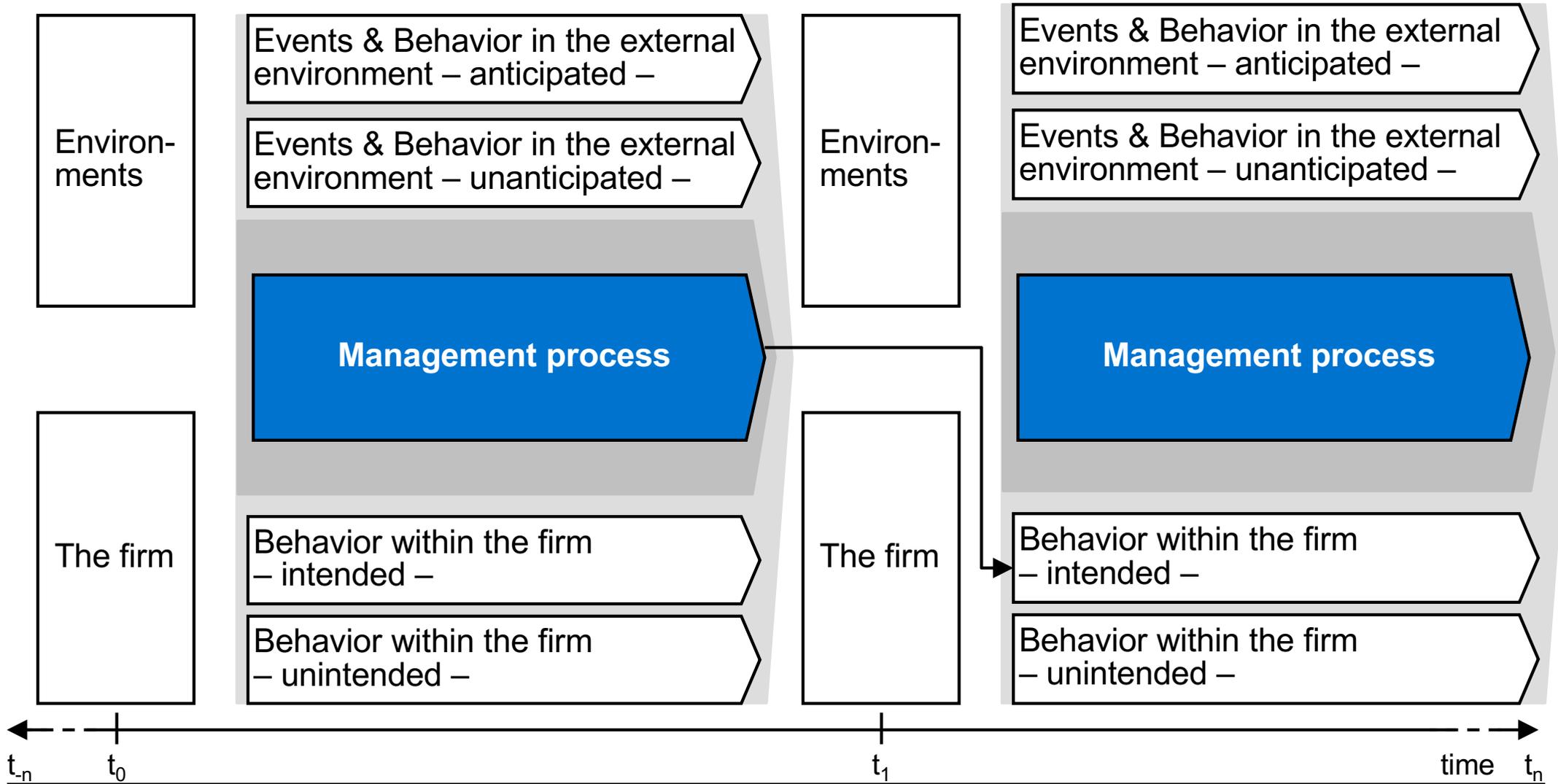
Management has to take into consideration today's impact as well as future consequences

Actions and their outcomes





What changes the firm?



Exercise: Pick a company and find examples for the five factors changing a company



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Management operates in multiple local spheres and has to cope with (anti)globalization forces

The 'where' dimension of management

Management spheres

Location of value chain processes

- Primary functions
- Secondary functions

Location of responsibilities

- Objectives
- Strategies, structures, systems

Location of stakeholders

- Customers
- Employees
- Suppliers
- Shareholders
- Creditors
- Societies
- Public

Environments

Globalization

- Exchange of goods and services
- Exchange of capital
- Exchange of information
- Migration, travel

Antiglobalization

- New (trade) barriers
- Cutting back of (global) agreements

Change of similarities / differences

- Cultural
- Administrative
- Geographic
- Economic

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