

MILTON FRIEDMAN UNIVERSITY

INSTITUTION IDENTIFICATION NUMBER: FI83995

H-1039 BUDAPEST, KELTA UTCA 2. * MAIL: H-1312 BUDAPEST, PF. 16. * E-MAIL: ERASMUS@UNI-MILTON.HU

[HTTP://WWW.UNI-MILTON.HU](http://www.uni-milton.hu)

Title of the course:	APPLIED BUSINESS STRATEGY (e-course)		
Course ID:	VE-GMT005		
Level of education:	Regular & Erasmus	Academic semester:	Fall Semester
Professor's name:	DR. JUDIT VARSÁNYI PHD	Academic title:	Professor Emerita
Hours per semester:	30	Credits:	4
Exam:	Electronic written exam	Pre-requisites:	Management

Aims and scope of the course

The objective of course is to acquaint students with the role of strategic way of thinking and planning in the industrial position and long range market success of companies. We intend to give a survey on more advanced techniques of enterprise strategy according to the literature, and in the practice of developed companies. The course shall enlighten the necessity of up-to-date strategic approaches. The use of analytic and planning models leads to established strategic decisions based on international competitiveness, sustainability and ethical aspects. We give an insight into analytic and planning methods, models and steps of strategic forecasting and planning, concerning the goal-setting, preconditions, actions and management tasks of realization. A short case study of a strategic teamwork shows, furthermore, how to put essential questions during teamworks, to build-up an established corporate strategy.

Course outline

- 1. Key terms and planning systems.** The first lecture of course introduces students into strategic way of thinking, shows a system of corporate planning. acquaints with the key terms of corporate strategy and presents an animated step-by-step block diagram of AGISTRA strategy model, following the steps of strategic planning and implementation, in order to understand their sequence and feedbacks. You will see why is important to collect all of necessary information about the environment of company and about itself, in order to realize what are its chances of development. You will see how the goal setting is based on the mission statement and, parallelly, how the strategic diagnosis will be built-up by using various analytic methods. The forecasting block extends several diagnostic establishments for the future, underlining the goal setting process. The following steps of strategic decisions (choices) determine how to utilize the opportunity challenges. Resource allocation and fundraising establishes the technical and financial preconditions of the intended developments. Implementation means, company creates all of premises of successful realization of strategy. We show, furthermore, an entire corporate planning system, containing the strategic, tactical and business plans building to each other. with their specific contents.
- 2. Strategic analyses and diagnosis.** Corporate strategies start with establishment of informational background, containing outward and inward information. The outward information delivers various data about the markets, market actors including business partners, competitors, about governments, economic policies, institutions etc. The inward information derives from a complex survey of the company, including the proprietors and their interests, CEO and management, organizational scheme, products and technologies, services, employees, core competences of the company etc. The strategic analyses deliver such information using different efficient methods and models we will deal with. Among strategic analytic methods, we deal with product-market matrix, SWOT-analysis, Porter's five forces-model, wheel-model and Porter's competitive forces. The weighted use of this information deliver a complex diagnosis about the company, showing a starting position for a development in long range.
- 3. Intuitive forecasting.** The informational background leads to a realistic strategic diagnosis only for the present, because the business environment with its actors is always changing. The traditional analytic forecasting, using mathematical methods can deliver reliable prognosis only for a short term. Corporate strategies necessitate, however, such forecasts which calculate with large scale market changes causing by revolutionary technological discoveries, drastic shifts in balance of power etc., using specific expert knowledge and intuition. We will deal with the role and significance of intuitive forecasting, which guarantees a broad and long sighted market, technological and economic prognosis, the fruitful development directions may be based on.
- 4. Mission, vision, targets, choices.** Each company should have a positive vision for the future. They should know to what kind of its competences is this vision based on. The mission statement of the company helps with establish this positive vision by formulating, which groups of people should be satisfied, why and how. The philosophy of the company connects it mission with an expected level of standing profitability. These essential statements establish the goal-setting process, starting with verbally formulated principles and purposes and ending with numeric expressed targets. This goal system takes a pyramid form, toward its

MILTON FRIEDMAN UNIVERSITY

INSTITUTION IDENTIFICATION NUMBER: FI83995

H-1039 BUDAPEST, KELTA UTCA 2. * MAIL: H-1312 BUDAPEST, PF. 16. * E-MAIL: ERASMUS@UNI-MILTON.HU

[HTTP://WWW.UNI-MILTON.HU](http://www.uni-milton.hu)

bottom with more concrete numeric targets. The strategic choices, that is decisions mean the allocation of existing resources and, choices from possible development directions, based on the diagnosis and goal system, respectively. Furthermore, this strategic step determines what are the failing resources, to be acquired by financial fundraising. As key development directions, among others the product and technology development, innovation of marketing and husbandry, organizational development, human resource innovation and building strategic alliances should be chosen.

5. **SBU-strategies.** Strategic business units (SBUs) mean homogeneous categories of products or services, manufactured by same technologies, equipments and manufacturing sites, same cost level and delivered for the same market requirements and conditions. Strategic portfolio analysis serves for selecting such strategic business units which – according to Boston Consulting Group (BCG) method – corresponds to the same inward and outward competitive criteria. BCG method and other developed methods, e.g. the Oligofol method, help with determining the promising ratio of stars, question marks, cash cows and dogs. We will deal with various portfolio analytic models and their strategic applications, serving for successful SBU strategies.
6. **Product strategy.** Within the frames of SBU strategies, the product strategy is a more concrete, more detailed part of corporate strategy. Starting with a one-product model, we will show what kind of principles should be followed if the company intends to create and maintain consumer satisfaction by delivering high quality, up-to-date products and services. We will deal, thereafter, with a step by step Progitra product strategy model, showing the necessary tasks to establish product success in the markets, based on developed technologies, targeted leading product and technology positions within the industry sector in question.
7. **Brand management, a key strategic tool.** As a key strategic tool, we explain the strategic role of brand management, giving a short insight into an extended Brand Management course. We will give a survey on the key terms of branding, its impacts on consumer behavior, role of associations generated by a brand, structure of a successful brand, strategic role of brand loyalty. We explain how to generate and maintain brand loyalty and, what is the role of brand value within a heavy market competition.
8. **Value analysis and customer care.** Value analysis and customer care are useful further topics, influencing the success of strategy. Value analysis, deriving from Lawrence Miles after the second world war, and extending used also nowadays, is a market needs oriented way of thinking and set of methods, based on complex technical-economic approach of quality and cost of useful product functions, appreciated by consumers. The functional principle help the company with a successful product planning by targeting high functional quality and low functional costs, parallelly. This valuable strategic tool promises an average 20% cost saving and good chances of market extension of an analyzed product. The systematic use of value analysis contributes to strategic success, especially for the cost-leading strategies. The high level customer care is an indispensable part of corporate success. We give a short survey on its signs of professionalism and, on its strategic role, impacting on consumer satisfaction.
9. **Online business with examples.** The professional presence on the internet is an essential part of each corporate strategy, whether the firm is click-only or active as brick-and-mortar as well. The business world shows a growing trend towards online business. The richness of ideas and the professionalism of online activities promise distinguishing strategic advantages. The online techniques permanently enrich and develop. Both of use of online techniques and of online business activities require constant development, becoming an integral part of corporate strategy. We concern the most important principles, techniques, and needs of professionalism of online business, surveying the SWOT matrix of it as well, showing several successful examples of leading online businesses.
10. **Strategy implementation.** Having studied the classical and additional parts of corporate strategy, we deal with implementation of the planned corporate strategy. We survey, how to realize the planned parts of it, starting with strategic analyses and goal setting, following by strategic decisions, resource allocation, fundraising and ending with strategic project planning, which means how to plan and realize the strategic actions, and how to monitor the results of implementation. Among others, the benchmarking and harmony analyses give us useful principles to determine the reality of the strategic concepts. Ranking of promising actions we can see the idealistic time sequence of them, fulfilling the market-oriented and financial requirements of successful realization.
11. **Corporate Social Responsibility, CSR.** Corporate social responsibility (CSR) is more than an attractive slogan nowadays. The CSR content and level of a company shows its commitment to the society, industry sector and people. The extent and tools of CSR constantly broaden. Companies will be more and more committed to various target areas, we find a lot of new ideas, techniques will be more and more professional. We will deal with principles, requirements and examples of CSR in the business world and see, how the most professional CSR practices will be an integral part of corporate strategies, delivering distinguishing strategic advantages in the competition.
12. **Balanced Scorecard, a complex performance evaluator.** Our final topic is about the complex evaluation of corporate performance, surpassing the simple financial indicators. The Balanced Scorecard model, deriving

MILTON FRIEDMAN UNIVERSITY

INSTITUTION IDENTIFICATION NUMBER: FI83995

H-1039 BUDAPEST, KELTA UTCA 2. * MAIL: H-1312 BUDAPEST, PF. 16. * E-MAIL: ERASMUS@UNI-MILTON.HU

[HTTP://WWW.UNI-MILTON.HU](http://www.uni-milton.hu)

from Kaplan and Norton, gives a complex tool of evaluation, starting with clientele indicators and ending with strategic and learning indicators, including the financial evaluation as well. The essence of this model is that a firm has to exert early impacts on its performance by focusing on the satisfaction of its clientele – the financial performance is only a final, not impressionable outcome of it. The Balanced Scorecard is a system of strategic indicators, showing the scores and weights of importance of each indicator category, delivering the opportunity of early impacts on business behavior of company. We will see how to use the BSC model to improve the firm's performance in the key areas of its business activity.

Requirements and assessment for e-learning courses

13 Lessons (quizzes) with 68 test questions as multi-choice questions to be solved and submitted. One right answer should be done to each question. Students may get one score for each right answer.

Electronic written exam at the end of semester about the most interesting, most relevant and missing topics of the course.

Marks will be calculated combining the automatic Moodle scores and the value of written exam. Students will get their marks within two days after the written exam.

Compulsory presentations

Varsányi, J. (2018): Applied Business Strategy. Series of PPT presentations. Agistra Studio–ZSKE, Budapest.

Varsányi, J. (2018): Readings to Applied Business Strategy. Chapters to download in DOC files.

Varsányi, J. (2018): Readings to Applied Business Strategy. Chapters as MP3 audio versions.

Recommended readings

Aaker, D. A. (2009): Managing Brand Equity. Capitalizing on the Value of a Brand Name. Simon and Schuster.

Bauer-Berács-Kenesei (2014): Marketing alapismeretek. Akadémiai Kiadó, Budapest.

Bányai Edit – Novák Péter (szerk., 2011): E-üzlet és marketing. Akadémiai Kiadó, Budapest, pp. 71-91.

Dinya László (2005): Szervezetek sikere és válsága. Akadémiai Kiadó, Budapest.

Johnson, K.-Scholes, K.-Whittington, R. (2008): Exploring Corporate Strategy. 8th Ed. Prentice Hall Europe, London.

Kaplan, R. S. – Norton, D. P. (2007): Balanced Scorecard. Das Summa Summarum des Management. Gabler, pp. 137-148.

Kotler, Ph. – Armstrong, G. (2012): Principles of Marketing. 14th Ed. Prentice Hall

Kotler, Ph. – Keller, K. (2016): Marketing Management. 15th Ed. Pearson, England

Kuntjoro, V.A. (2014): Sustainability Balanced Scorecard. Lap Lambert Academic Publishing.

Lasserre, Ph. (2003): Global Strategic Management. Palgrave Macmillan, New York.

Laudon, K.C. – Traver, C.G. (2010): E-commerce 2010. Business, Technology, Society. 6th Ed. Pearson.

Linton, G.–Kask,J. (2017): Configurations of entrepreneurial orientation and competitive strategy for high performance. Journal of Business Research, Vol. 70, January 2017, pp. 168-176.

Little, E. – Marandi, E. (2005): Kapcsolati marketing. Szerk.: Veres Zoltán. Akadémiai kiadó, Budapest.

Marosán György (2006): A 21. század stratégiai menedzsmentje. Műszaki Kiadó, Budapest.

Porter, M. (2006): Versenysztratégia. Akadémiai Kiadó, Budapest.

Thompson A. A. - Strickland A. J. (2003): Strategic Management. 13th Ed. McGraw-Hill/Irwin, Boston

Varsányi Judit (2005): Cégstratégiák szerepe a tulajdonosi érték növelésében. In: Becker et al.: Értékalapú stratégiák. Akadémiai Kiadó, Budapest, pp. 161-208.

Varsányi Judit (2013): Stratégiai válságmenedzsment. In: Virág Miklós et al.: Pénzügyi elemzés, csődelőrejelzés, válságkezelés. Kossuth Kiadó, Budapest, pp. 247-265.

Vágási-Piskóti-Buzás (2006): Innovációmkteting. Akadémiai Kiadó, Budapest, pp. 251-266.