



Strategic Management

Undergraduate in Management
2025 - 2026

Lecturer – Practical Classes



(carlosfreire@iseg.ulisboa.pt)

Carlos Robalo Freire

CEO at AON Portugal

Over 35 years of experience in the Financial Sector (Insurance and Banks)

Teach: Strategic Management, Leadership & Negotiation, Management Control

PhD in Management

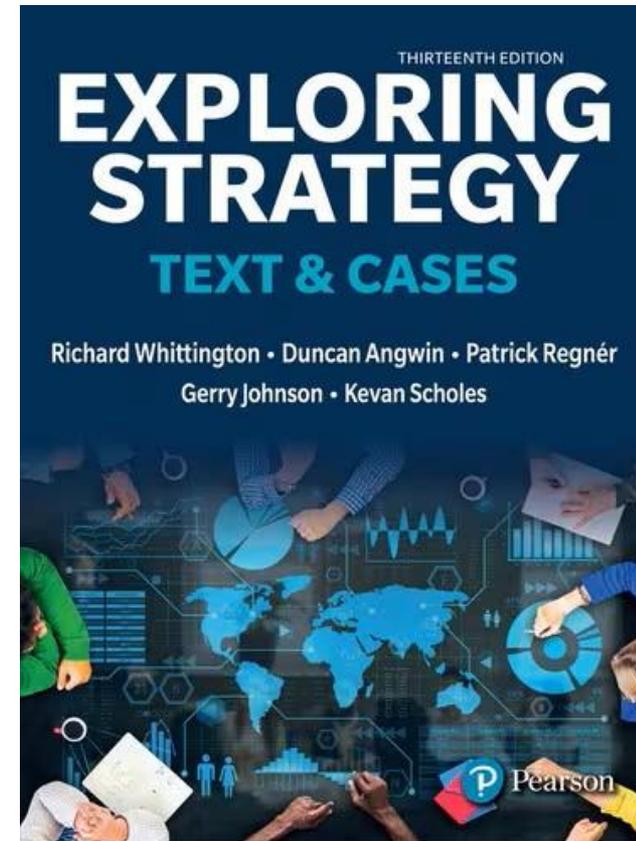
Master at Insead

EFFAS Certified ESG Analyst

Aon PLC is an US multinational financial services firm that sells a range of risk-mitigation products, including Commercial Risk, Investment, Wealth and Reinsurance solutions, Aon has approximately 50,000 employees in 120 countries.

References

- Main
 - Whittington, R., Regnér, P., Johnson, G., Angwin, D., & Scholes, K. (2024). *Exploring strategy*. Pearson UK.



Goals

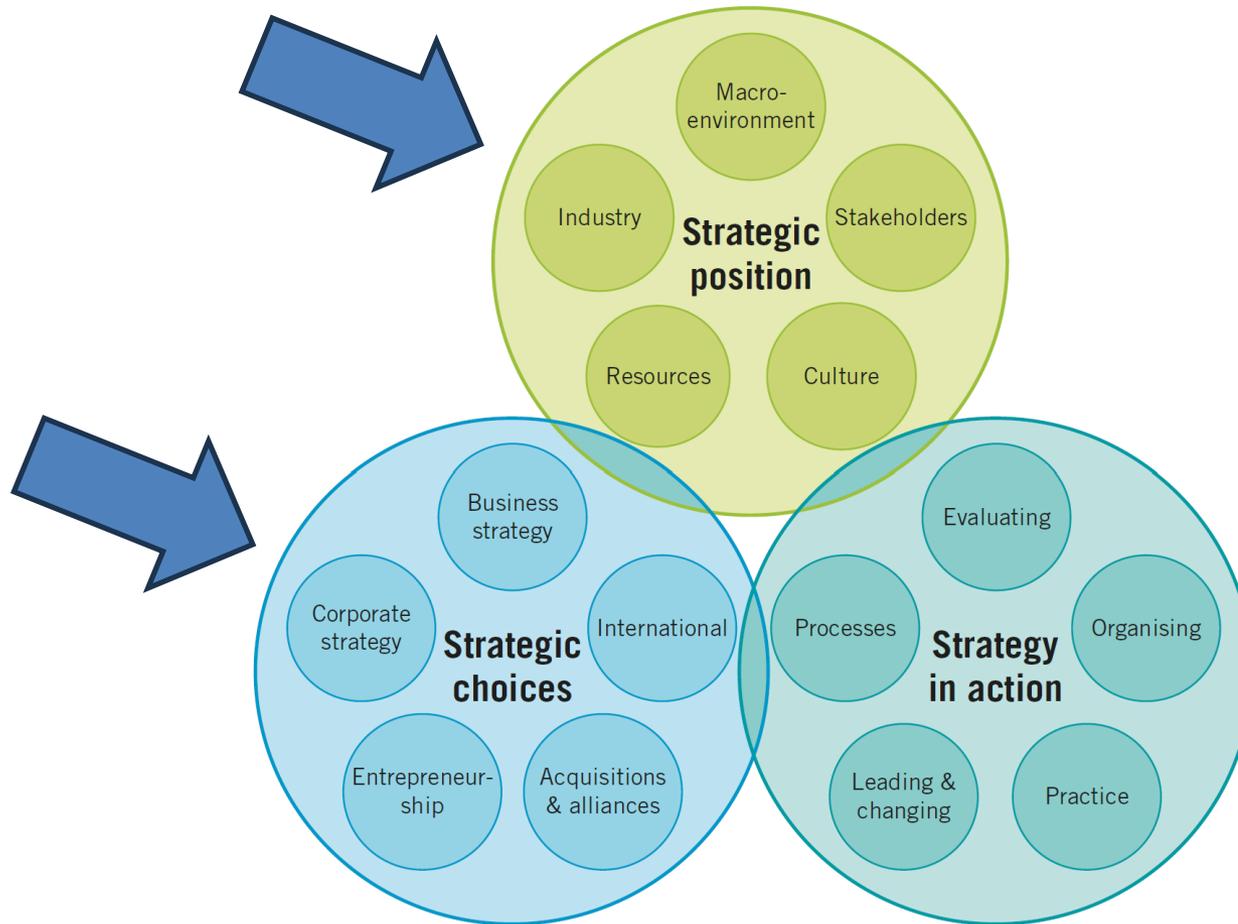
- This course aims to provide a theoretical and practical perspective of corporate strategy. The course seeks to reflect on the importance of strategy concepts and to provide methodologies and instruments for the strategic management of public, profit and non-profit companies
- Students are expected to:
 - Development of analytical skills external and internal to organizations;
 - Knowledge of business strategies, business models and business strategies;
 - Understanding of the application of different instruments in global and ESG contexts;
 - Understanding of the challenges associated with companies' strategic choices.

Topics and programme content



- Concepts and perspectives of strategic management;
- Analysis of macro environment, industry, resources and capabilities;
- Analysis of purpose, stakeholders and culture;
- Business strategy, business models and corporate strategies;
- International strategy, innovation, alliances, mergers and acquisitions;
- Implementation and strategic assessment.

Topics and programme content



Assessment

- Final grading is composed of **two mandatory components** (for the regular season):
 - Written (take) exam (50%)
 - **Continuous assessment (50%)**
 - **8 teams** for group work with 3 to 5 students
 1. Short Case Study (15%)
 - Handed out by the lecturer
 - Presentations throughout the semester
 2. Participation (5%)
 - Students' participation and short presentations
 3. Original Case / Final group work (30%)

Assessment – Written exam



- The written exam
 - The minimum mark for the written take and retake exams is 8
 - In the re-sit assessment period, without the continuous assessment, the exam accounts for 100% of your final mark
- Document consultation is not allowed during written exams
- Students scoring higher than 17 need to “defend” the grade at an oral test, with a panel of lecturers
- Presence will be controlled in the practical classes
 - Failing to attend more than **1/3 of the classes** will imply failing the continuous assessment
- Please consult ISEG’s Regulamento Geral de Avaliação de Conhecimentos (RGAC) for more information about the School’s assessment policy

Assessment – Short Cases

- Short case studies handed out by the lecturer (15%)
 - Each group should present 1 case and discuss 1 case
 - “Presentation”
 - Presentation of the case in a clear and organized manner
 - Overcome the information in the statement if appropriate
 - Answer questions in depth
 - “Discussion”
 - Discuss the case presented by the other group
 - » Agree/Disagree/Complement
 - Discuss additional issues/questions

Assessment – Original Project



- The final work will consist of a **report** developed by each group
- The work includes
 - a) External Analysis of an industry
 - b) Internal Analysis of 2 companies
 - c) Strategic mapping
 - d) Evidence-based recommendations
 - e) Company comparison
- Groups are expected to present the progress of their work throughout the classes
- The report should be between 5'000 and 7'000 words from the introduction to the conclusions
- The final work must be sent by email to the respective teacher by **April 2**

Assessment – Original case



- Final work structure suggestion
 1. Introduction
 2. External analysis (Chapters 2, and 3 of the textbook)
 3. Internal analysis (Chapters 4, 5, and 6 of the textbook)
 4. Strategic mapping (Chapter 7)
 5. Conclusions

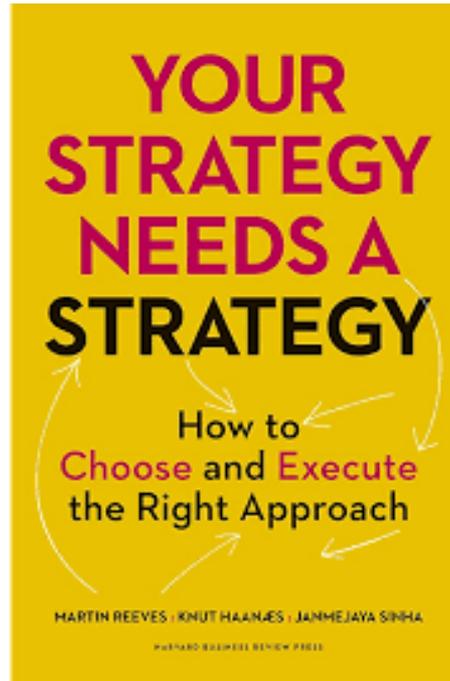
Tentative timetable

Week	Content	
1	Case A (not for evaluation) + assessment + groups and cases	
2	Case B (not for evaluation)	
3	Case study – chapter 2 e 3	Pestel and Competitive forces
4	Case study – chapter 2 e 3	Strategic groups and market
5	Case study – chapter 4	VRIO
6	Case study – chapter 4	Value Chain and Activity mapping
7	Case study – chapter 5	Stakeholder mapping and cultural web
8	Case study – chapter 6	Business strategies and Business model
9	Case study – chapter 7	SWOT and strategic alignment
Easter Holidays		
10	Case study – chapter 8	Final project presentation (if necessary)
11		Final project presentation
12		Final project presentation

Presentation Rules

1. Presentations no longer than 30 minutes
2. Second group ask questions to the presentation group (max. 15 minutes)
3. The rest of the class ask questions (max. 15 minutes)
4. Presentations are evaluated based on the following criteria:
 - Clarity and organization of presentation
 - Depth of answers
 - Teamwork
 - Communication skills

EEMP



https://www.ted.com/talks/martin_reeves_how_to_build_a_business_that_last_100_years

EEMP



Figure 1.1 The Strategic Management Process

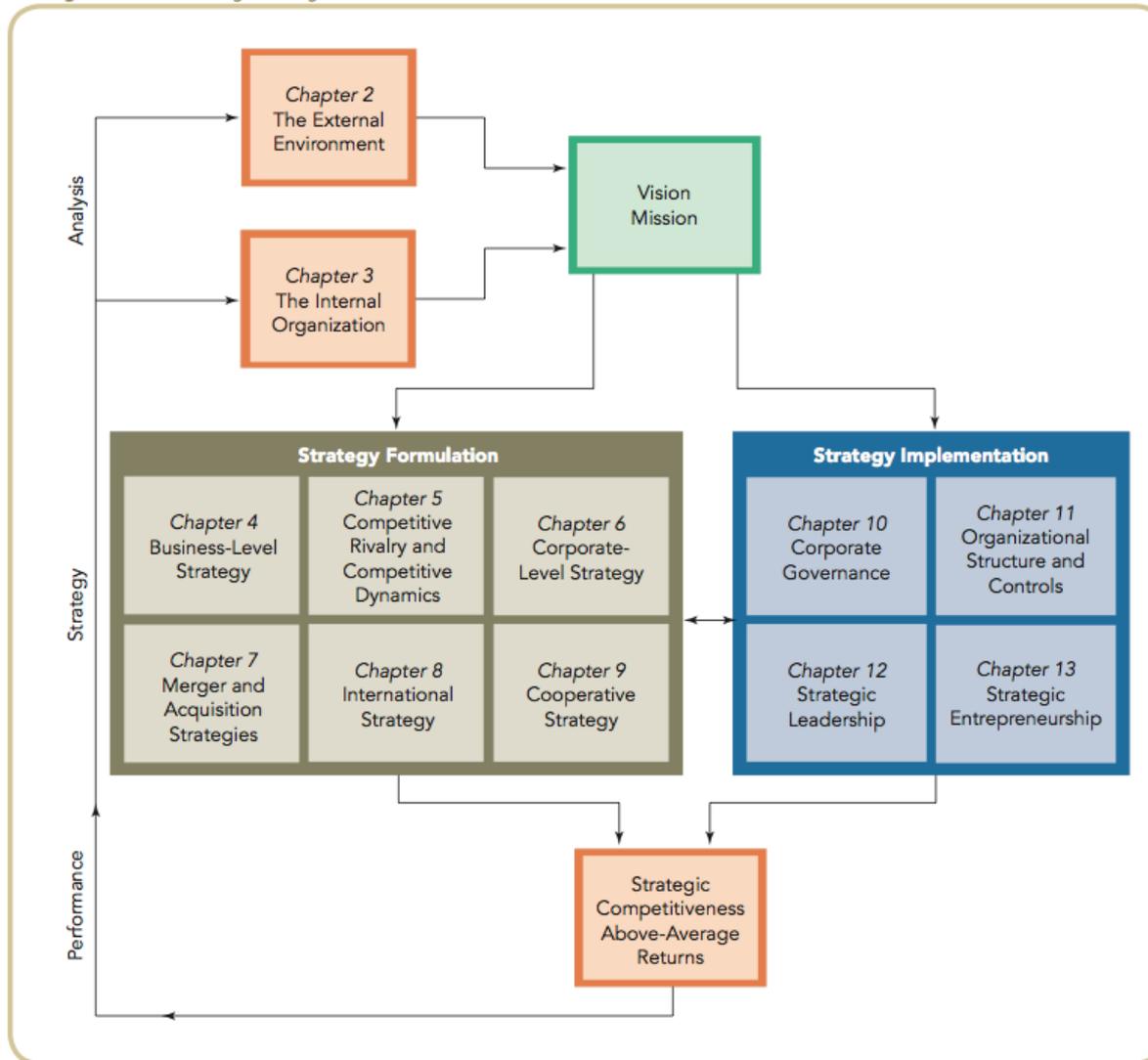


Exhibit 2.1

Layers of the business environment



Exhibit 2.3 The industry life cycle

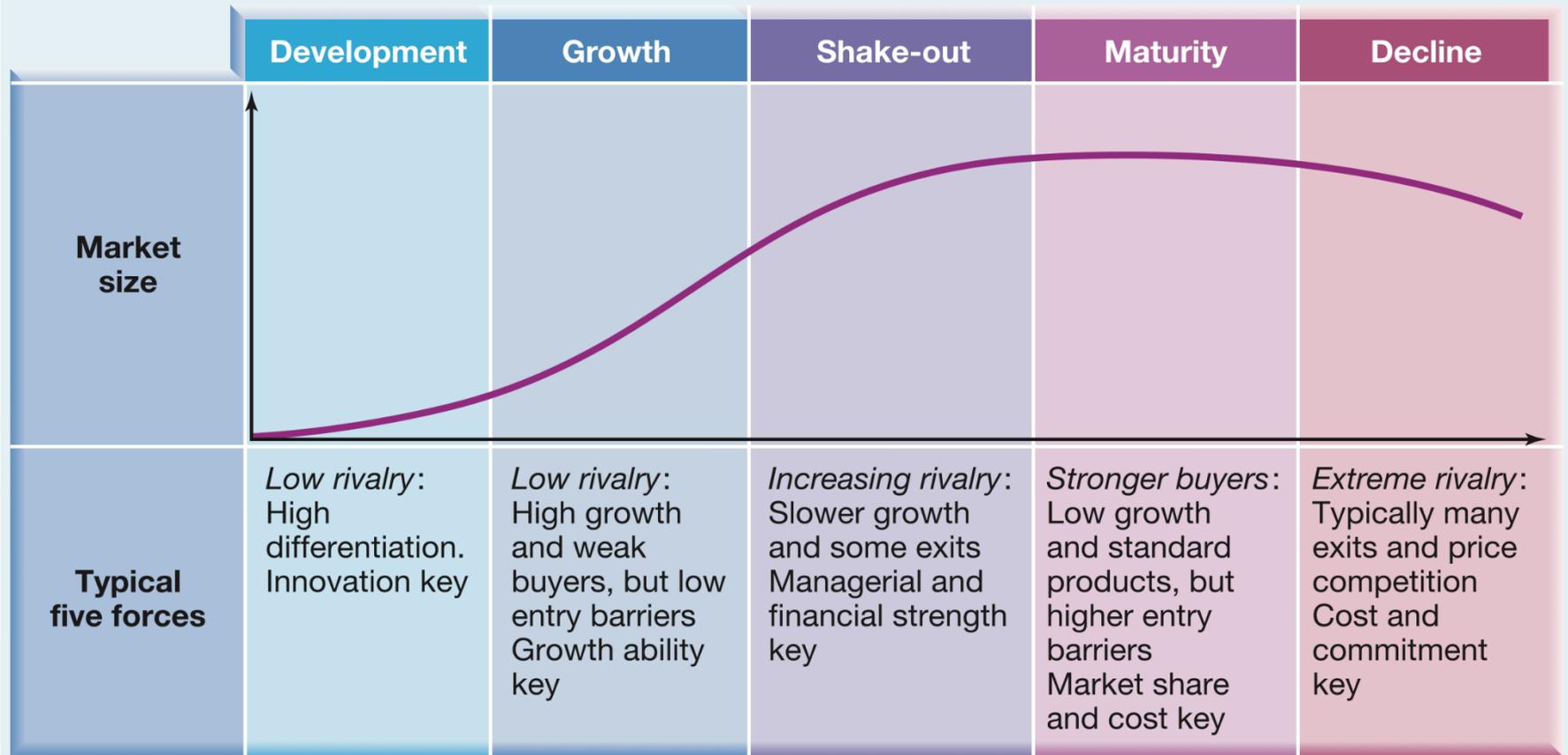
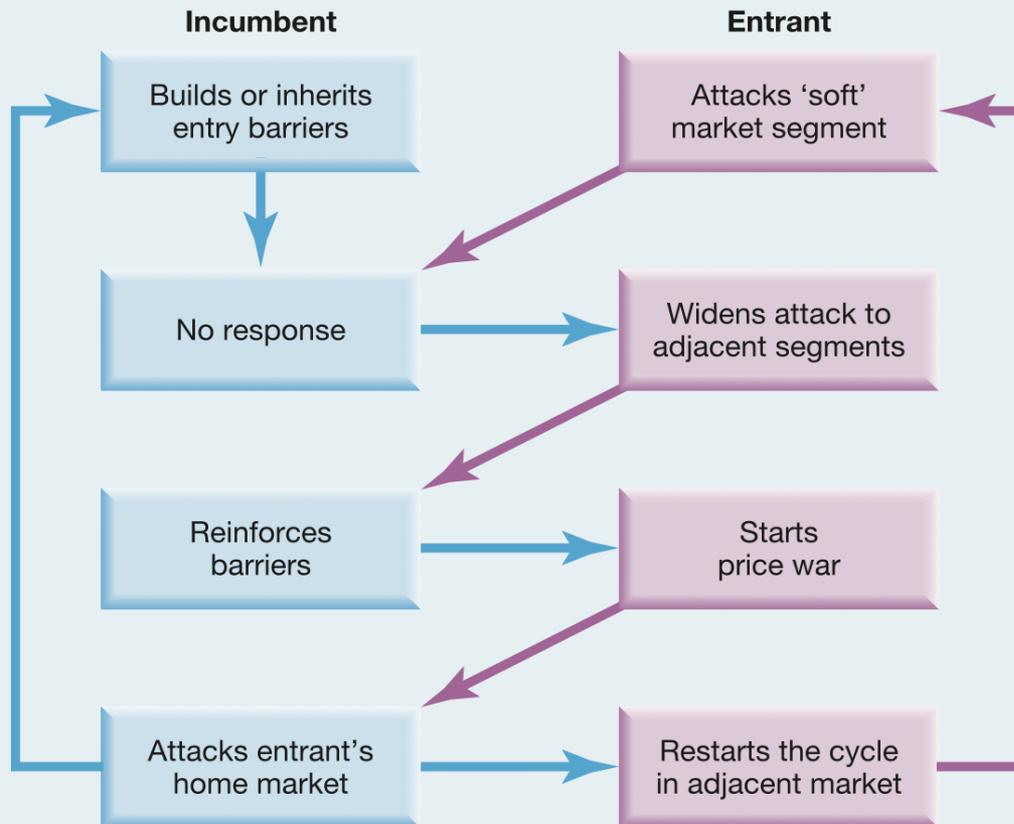
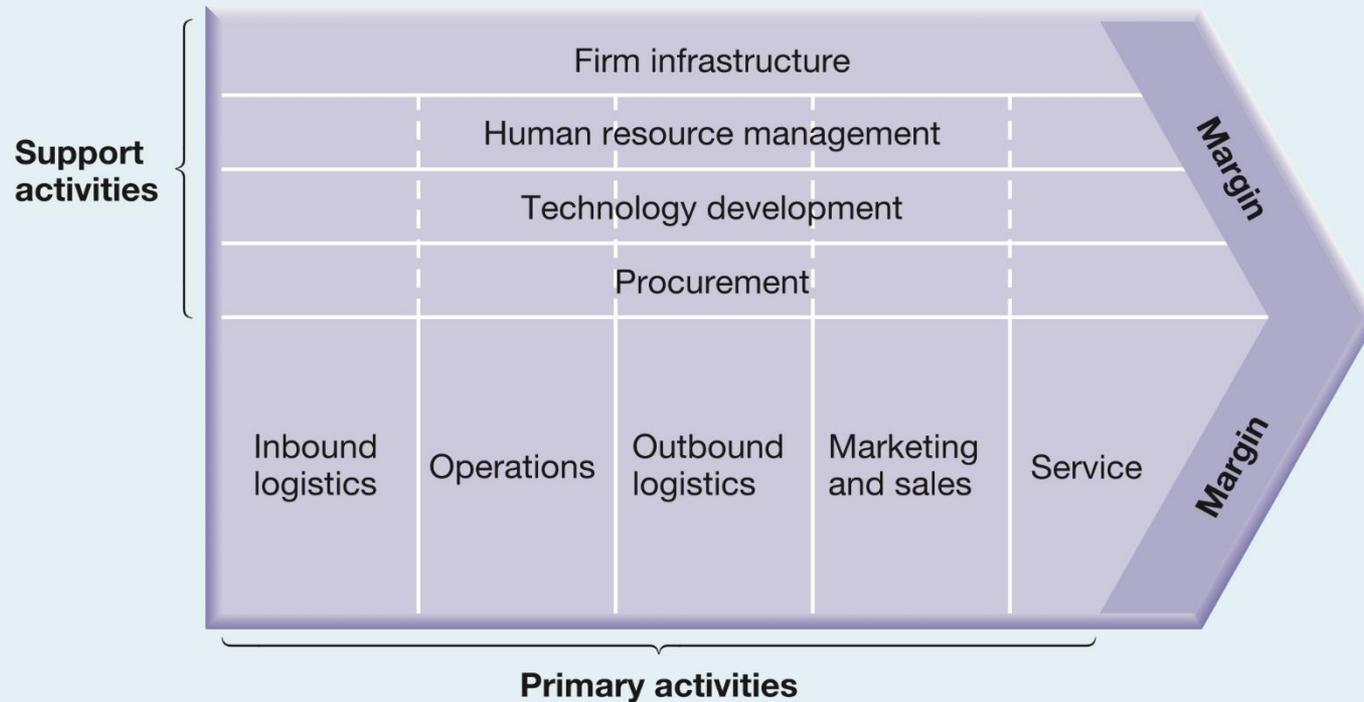


Exhibit 2.4 Cycles of competition



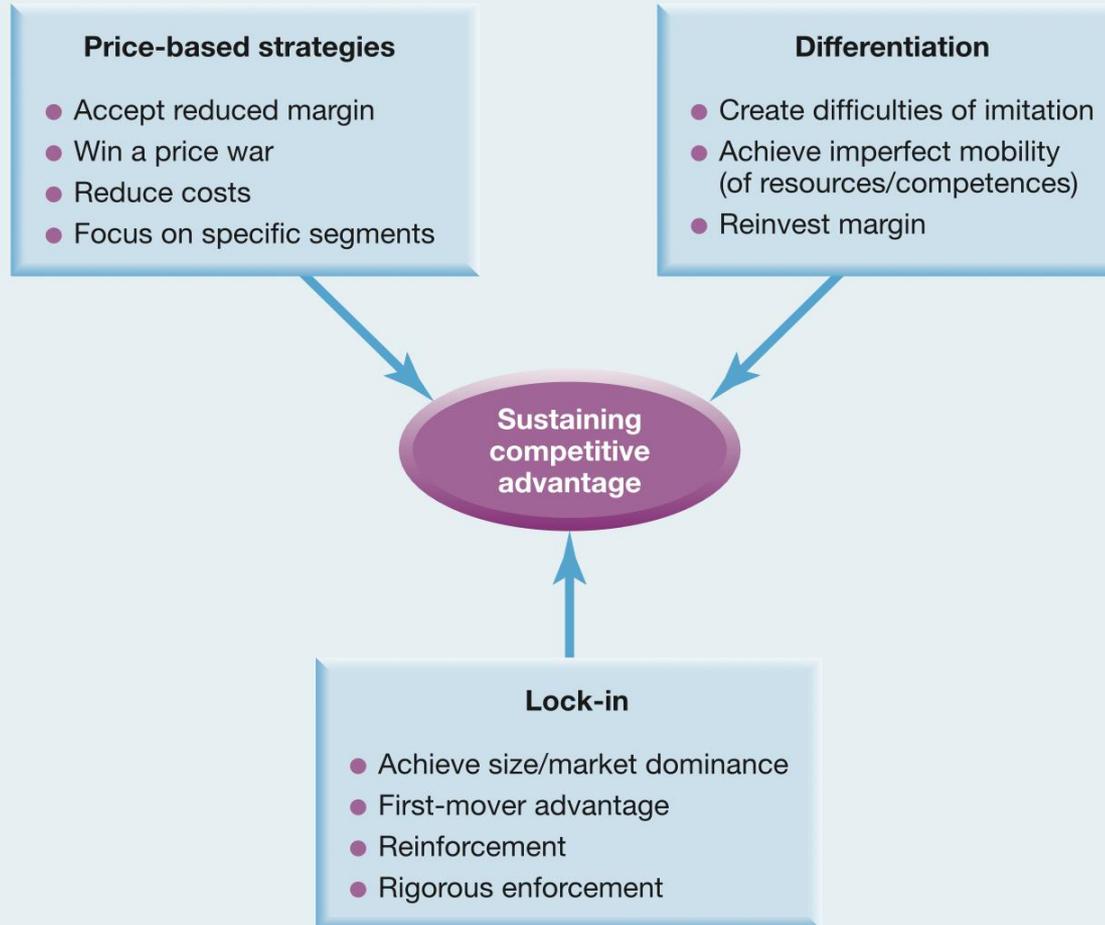
Source: Adapted with the permission of The Free Press, a Division of Simon & Schuster Adult Publishing Group, from *Hypercompetitive Rivalries: Competing in Highly Dynamic Environments* by Richard A. D'Aveni with Robert Gunther. Copyright © 1994, 1995 by Richard A. D'Aveni. All rights reserved.

Exhibit 3.6 The value chain within an organisation



Source: Adapted with the permission of The Free Press, a Division of Simon & Schuster Adult Publishing Group, from *Competitive Advantage: Creating and Sustaining Superior Performance* by Michael E. Porter. Copyright © 1985, 1998 by Michael E. Porter. All rights reserved.

Exhibit 6.3 Sustaining competitive advantage

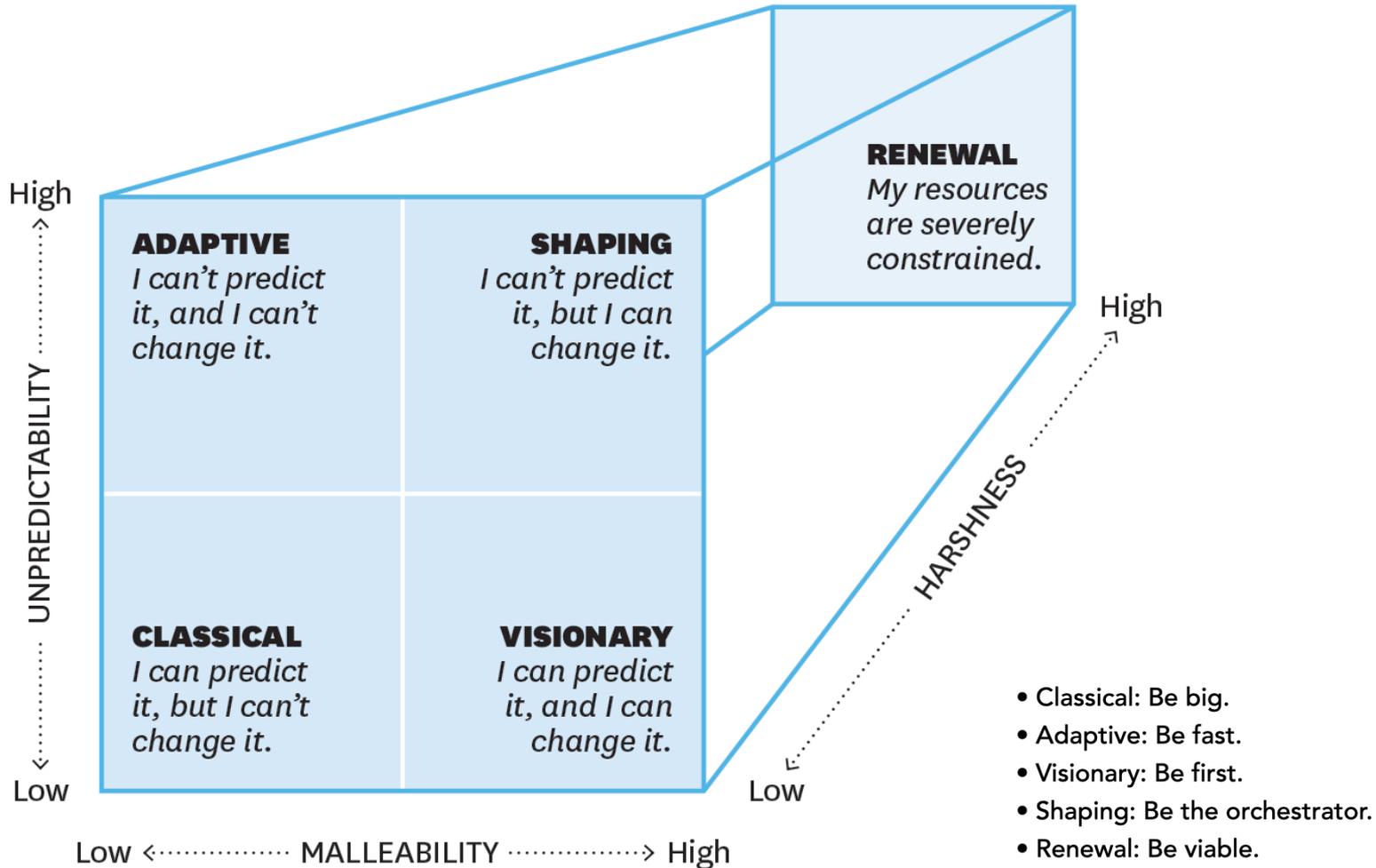


EEMP



5 Approaches to Strategy

And the business environment in which you might use each one.



Robin Hood Case

1. What is Robin's strategy?
2. What are Robin and the Merrymen's strengths and weaknesses?
3. What are the external forces driving Robin and his man's actions? How are they affecting the group?
4. Provided that Robin has all the relevant information to formulate a new strategy, what does he need to formulate first?



1. What is Robin's strategy?

- In fact, Robin has no strategy formulated yet. The text shows several operational options and decisions, but not a single strategic choice and a coherent and integrated set of ideas towards achieving one goal

2. What are Robin and the Merryman's strengths and weaknesses?

- Strengths:
 - dimension/size, structure, leadership, human resources, culture, image and support from villagers
- Weaknesses:
 - Size (because it creates control problems), lack of long-term focus, shortening of resources, and access to resources

3. What are the external forces driving Robin and his man's actions? How are they affecting the group?

- Poverty, autocratic regime, repression, and personnel issues between Robin and the Sheriff
- There are an increasing number of merry men; there's less knowledge of the men; the Sheriff is getting stronger and better organized; there are less resources (travelers going around the forest)

4. Provided that Robin has all the relevant information to formulate a new strategy, what does he need to formulate first?

- It's missing a motto, to replace the older one. The men need a new direction



Madonna case

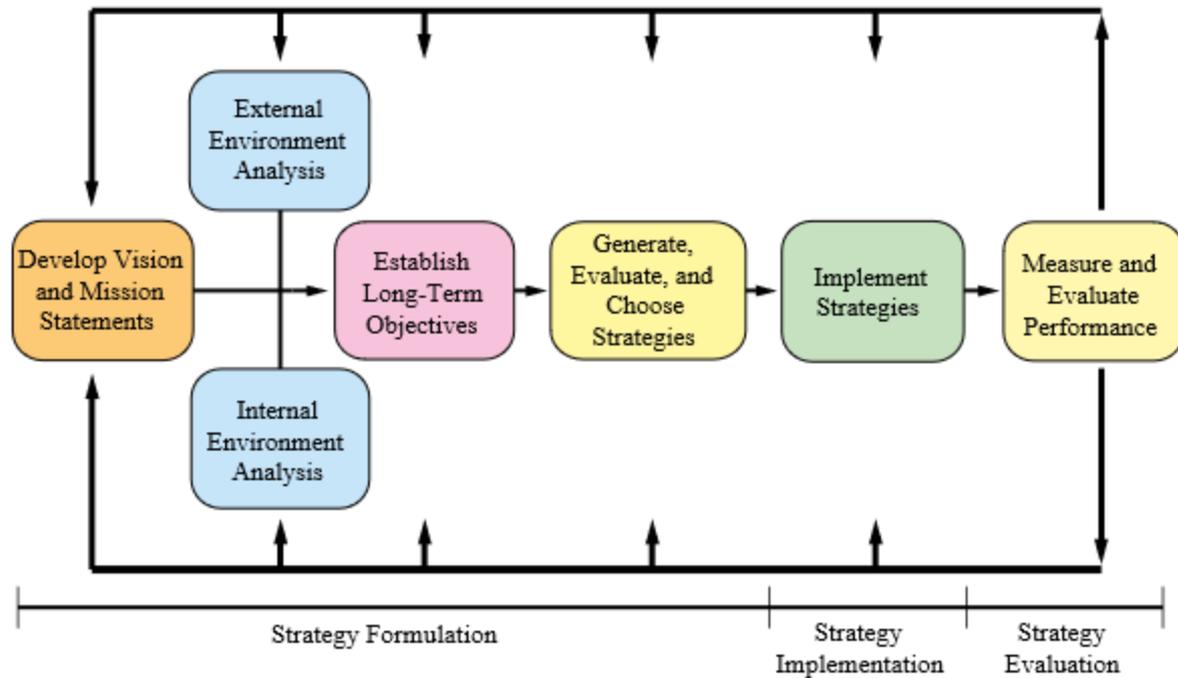
1. What is strategy, and why do it? (Key ideas, concepts and assumptions)
2. Why has Madonna experienced sustained success over three decades?
3. What skills/capabilities can explain Madonna's success over the years?
4. Describe and explain the strategy being followed by Madonna in terms of business-level strategy
5. What is Madonna's corporate-level strategy?
6. Does Lady Gaga/Beyoncé/etc. represent a strong competitor to Madonna? Why or why not?
7. If you were a strategy adviser/consultant, what would you recommend to Madonna, as far as the features of her next image?
8. Has Madonna any chance of competing in the modern world of digital music?

1. What is strategy, and why do it? (Key ideas, concepts and assumptions)

- Firms **compete** with each other for resources, etc.
- Firms with better formulated and implemented strategies will outperform other firms. **Returns and performance** are thus the result of strategy
- Hence, **competitive advantage** is an implemented strategy that competitors are unable to duplicate or find too costly to imitate
- **Strategy** is, then, the integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage.
- Such **core competencies** are found in the unique match between internal and external organisational features
- **Information and analysis** of internal and external environments is therefore central in the **strategic management process** (SMP)
- i) Environment relatively stable and predictable; ii) SMP is rational and logical (no emotions, no intuition); iii) human beings always take decisions and behave for the good of their firms; iv) SMP is sequential (analysis, formulation, implementation, evaluation); v) strategy formulators and strategy implementers different people

The strategic management process

Model of the Strategic Management Process



2. Why has Madonna experienced sustained success over three decades?

- Periodical renewal of her “product life cycle”.
 - This is not only a style, but also an integrated package of music, fashion and personal attributes
- Use of controversy (sex in particular) to maintain media and public interest
- Use of interpersonal relationships as the basis for business alliances

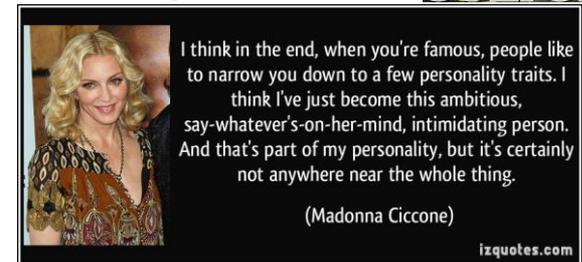
The following are other factors not entirely exposed in the case:

- Early identification of key trends in music, style, and popular culture, and incorporation of such themes into her own image and products
- Outsourcing, to access resources and capabilities of others in order to implement her own restricted range of resources and capabilities
- Maintenance of close control over the key elements of her intellectual property and creativity



3. What skills/capabilities can explain Madonna's success over the years?

- Goal orientation and commitment (ambition): an incredible drive to stardom, subordinating other life dimensions to her career
- Profound understanding of the competitive environment, e.g. what leads to stardom? What do people value/want in pop music? How do these values change over time?
- Efficient use of resources: highly effective in exploiting her particular talents (e.g. business woman, marketing), and on hiding weaknesses (e.g. she's not a great dancer nor a great singer)
- Effective implementation, shown through: personal energy, commitment, leadership, organisation skills, people management
- Personality
- Status reached: superstar and culture maker



4. Business-level strategies

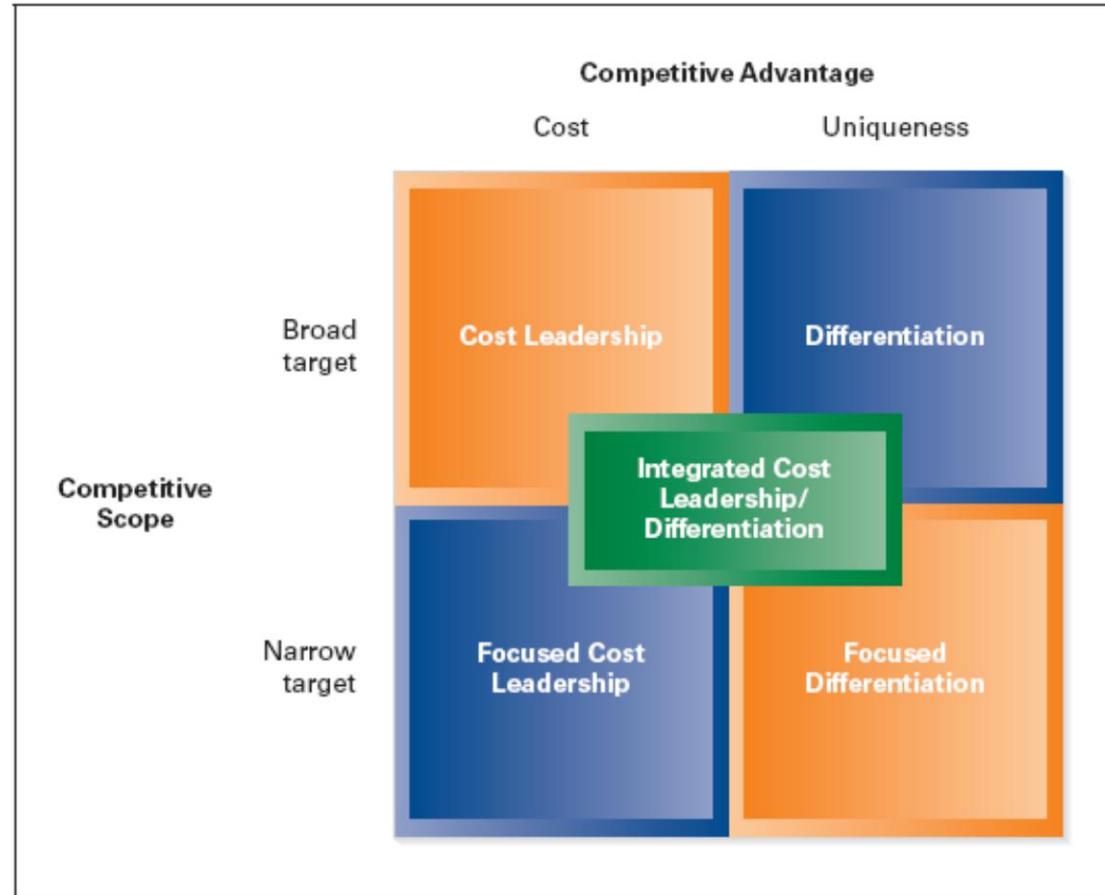
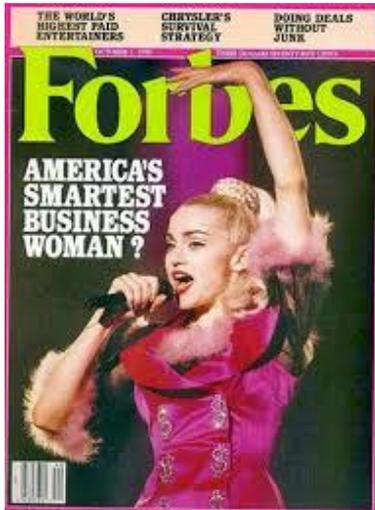


- Clients' satisfaction will generate returns; successful companies satisfy current and new customers
- Hence relationship with customers is central in BLS: 1) how to connect with them? 2) how and how deep to understand them? 3) how to secure two-way communication?
- Market segmentation: divide customers into groups, according to some criteria (needs shared by groups of customers)
- Next study and explore such needs, and make sure your products/services meet these needs
- Finally, decide which BLS should be adopted. Assumption: customers wish either low costs, or products/services with more features than other products
- (Choice of strategy should be in line with the firm's core competencies: is it good at keeping costs down, OR at creating unique products? And can it reach the broad market, OR should concentrate on narrow market slices?)

4. Describe and explain the strategy being followed by Madonna in terms of business-level strategy

- She has been designing herself and her music to meet the needs and wishes of popular entertainment over the years: she's not targeting all markets!!
- Simultaneously, she's always surrounded herself of the best (best dancers, best musicians, best vocalists, best choreographers, best movie actors, etc.)
- She follows a **differentiation** or **focused-differentiation business-level strategy (BLS)**
- Hence the questions are:
 - What customers does she target? And
 - What do her customers need and want?





5. What is Madonna's corporate-level strategy?

- Corporate-level strategies (CLS) apply when a firm is competing in more than one market (e.g. Madonna operates in music, book writing, concerts, music videos, and also music production, publishing, etc.)
- Value determined by degree to which the businesses in the portfolio are worth more under the management of the company than they would be under any other ownership
- Concept of **product differentiation**: how diverse are the various products being offered by the firm?

5. What is Madonna's corporate-level strategy?

Figure 6.1 Levels and Types of Diversification

Low Levels of Diversification

Single business: 95% or more of revenue comes from a single business.



Dominant business: Between 70% and 95% of revenue comes from a single business.



Moderate to High Levels of Diversification

Related constrained: Less than 70% of revenue comes from the dominant business, and all businesses share product, technological, and distribution linkages.



Related linked (mixed related and unrelated): Less than 70% of revenue comes from the dominant business, and there are only limited links between businesses.

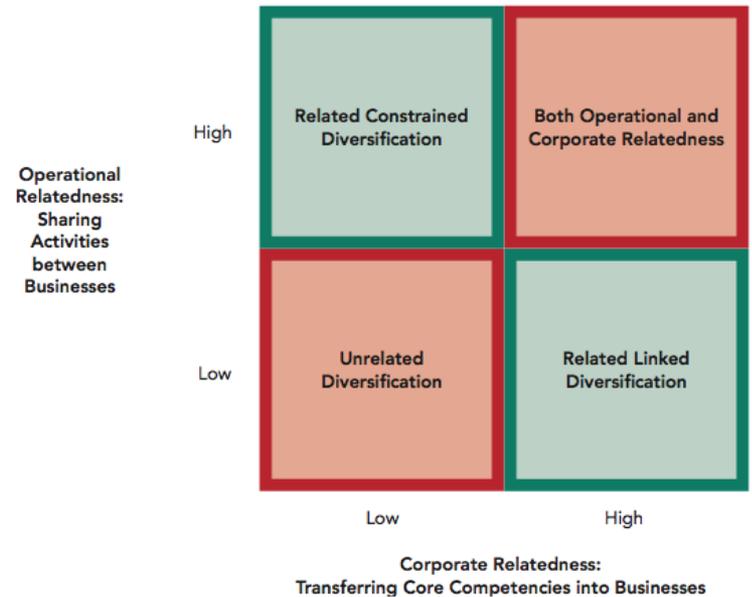


Very High Levels of Diversification

Unrelated: Less than 70% of revenue comes from the dominant business, and there are no common links between businesses.



Figure 6.2 Value-Creating Diversification Strategies: Operational and Corporate Relatedness



Value is created:

- Sharing support activities (e.g. same marketing function to all businesses) (**operational relatedness**)
- Sharing managerial skills and experience (**corporate relatedness**)

Levels of strategy

CORPORATE LEVEL STRATEGY

Concerned with the overall scope of the organisation, its structures and financing, and the distribution of resources between its various constituent parts

BUSINESS LEVEL STRATEGY

Refers to how the organisation competes in a given market, its approaches to product development and to customers

OPERATIONAL OR FUNCTIONAL LEVEL STRATEGY

Concerned with how the various subunits (marketing, finance, manufacturing, etc.) contribute to the higher level strategies

6. Does Lady Gaga/Beyoncé/etc. represent a strong competitor to Madonna? Why or why not?



Taylor Swift (33)



Adele (34)



Lady Gaga (36)



Beyoncé (41)



Demi Lovato (30)



Rihanna (34)



Pink (43)



Kate Perry (38)



Ariana Grande (29)



Christina Aguilera (42)



7. If you were a strategy adviser/consultant, what would you recommend to Madonna, as far as the features of her next image?

8. Has Madonna any chance of competing in the modern world of digital music?

(From *Global Music Report 2022: Annual State of the Industry*)

- 18.5% global revenue growth
- 65% streaming share of global revenue
- 16.1% physical revenue growth
- Most popular artists and best sellers of 2021: BTS (01) / Taylor Swift (02) / Adele (03) / Drake (04) / Ed Sheeran (05) / The Weeknd (06) / Billie Eilish (07) / Justin Bieber (08) / Seventeen (09) / Olivia Rodrigo (10)
- Future: more innovation, more digital music (streaming), more markets
- Coming innovations: voice control devices, music moving into media entertainment



This case considers an increasingly important international music festival market that started from simple beginnings and intentions. It explores the diversifying nature of these events in terms of the entertainment they offer, their income sources and the breadth of objectives pursued by organisers. Using the long established Glastonbury Festival as an example, key strategic issues are revealed.

Case 1: Glastonbury Festival

1. What reasons lie behind the sustained success of the Glastonbury Festival over time?
2. Who are the main stakeholders of the organization? Why?
3. What would you say was the organization's original strategy?
4. What trends and changes are challenging the strategy? Why?
5. Do you consider that the organization's strategic position is aligned with its implementation? Justify.

Sustained Success of Glastonbury Festival

- Strong founding values and authenticity
- Diversification beyond music (arts, culture, comedy)
- Iconic brand and cultural prestige
- Ability to manage growth and scale
- Financial resilience and charitable mission

Main Stakeholders

- Eavis family – founders and strategic leaders
- Attendees – main revenue source and community
- Artists and performers – core attraction
- Charities – central to mission and legitimacy
- Local community and authorities – operational approval
- Sponsors and media – funding and exposure

Original Strategy

- Mission-driven rather than profit-driven
- Focus on music, community, and counterculture
- Raise funds for charitable causes
- Create an alternative cultural experience

Trends Challenging the Strategy

- Increased competition from global and boutique festivals
- Commercialization of the festival market
- Rising artist fees and selective headliners
- Changing audience preferences and fragmentation
- Higher safety, regulatory, and environmental costs

Strategy vs Implementation Alignment



- Strong alignment with social and charitable values
- Controlled commercialization and brand protection
- Tension between growth and original counterculture ethos
- Ongoing challenge to balance scale and authenticity

Obrigado