

## CPA STRATEGIC: STRATEGY & LEADERSHIP

### Aim

The aim of this module is to develop students' ability to contribute effectively to the strategic management of enterprises through the objective analysis of business situations, the critical evaluation of strategic options and the implementation of change programmes.

### Strategy & Leadership as an Integral Part of the Syllabus

Strategy & Leadership integrates and expands the knowledge and skills acquired in many of the subjects at the earlier examination levels. This subject provides a framework for future leaders to analyse, develop and implement strategies for entrepreneurial activities in both growing and established entities.

### Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	<b>Management Fundamentals</b>	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	<b>Strategy &amp; Leadership</b>	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

### Minimum Intended Learning Outcomes

*On successful completion of this module, students will be able to:*

- Critically apply the key stages in the strategic management process: strategic position, strategic choice and strategic implementation
- Evaluate the role of strategic and organisational leadership in developing and implementing strategic choices
- Develop strategic change programmes that enable the effective implementation of strategic decisions
- Design appropriate competitive strategies and business models to support both existing organisations and entrepreneurial start-ups
- Effectively integrate theories and concepts from strategic management with related disciplines such as Finance, HR, Marketing, Operations and I.S. to solve business problems in complex and diverse situations
- Build a persuasive business case
- Evaluate what is required at an individual, team and organisational level to manage complex projects successfully
- Communicate effectively to a variety of audiences

## Indicative Syllabus

		Competency Level
Introduction – The concept of Strategy	• The characteristics of strategic decisions	2
	• Levels of strategy	2
	• The vocabulary of strategy - mission, visions, goals and objectives	2
	• Strategic Management - strategic position, strategic choice, strategy in action	2
	• Matching strategy and structure	2
	• Strategic management and operational management perspectives on strategy - deliberate and emergent strategy	2
The Strategic Position	• Environmental analysis - the macro environment, industry/sector/market analysis, opportunities and threats	3
	• Resources and Capability - strategic capability, critical success factors, assessing resources, identifying core competencies, benchmarking, assessing strengths and weaknesses	3
	• Stakeholders and Governance - corporate governance, stakeholder analysis, identifying stakeholder expectations, business ethics, cultural considerations	3
	• The Marketing Dimension	3
Strategic Choice	• Corporate Level - Corporate diversification, role of the corporate centre, corporate core competencies, portfolio manager, synergy manager, parental developer, corporate portfolio - growth/share matrix, directional policy matrix, relatedness matrix	3
	• Business Level: Bases of competitive advantage, sustaining competitive advantage, game theory, competition and collaboration, value innovation, business ecosystems, business case development, supporting the entrepreneur and new venture creation	3
	• Strategy Development: directions, methods, success criteria	3
Leadership	• The nature of leadership	3
	• Qualities and characteristics of effective leaders	3
	• Organisational leadership theories	3
	• The importance of strategic leadership and the senior management team	3
	• The role of leadership in the change management process	3
	• The role of leadership in business ethics and social responsibility	3
Strategy Implemen- tation Structure and Processes	• Organisation structure	2
	• Planning and control systems (incl. ERP & balanced scorecard, market mechanisms, social / cultural process)	2
Strategy Implemen- tation: Managing Strategic Change	• The nature of organisational change	2
	• The change situation	2
	• Identifying and managing resistance to change	2
	• Change levers	2
	• Use a change management model as a framework to manage a change programme	2

## Indicative Syllabus contd.

		Competency Level
Strategy Implementation: Project Management	• Project objective and scope	2
	• Project teams, sponsors and responsibilities	2
	• Project timeline and milestones	2
	• Project reporting procedures	2
	• Project evaluation	2
Enterprise Risk Management	• Nature & impact of risk	2
	• Identification, assessment and measurement of risk	2
	• Managing, monitoring, mitigating risk	2
	• Reporting Risks	2
Sustainability Reporting	• Defining sustainability and the business case	2
	• Vision & leadership	2
	• Stakeholder engagement	2
	• Goals & target setting	2
	• Integration with risk management	2

## Learning Guide

## Introduction: The Concept of Strategy

- Explain the nature of strategic management
- Describe the characteristics of strategic decisions
- Explain the levels of strategy: corporate, business and operational
- Explain the meaning of mission, aims, goals and objectives and advise on how to effectively develop these in an organisation
- Describe the stages of strategic management: strategic position, strategic choice and strategic implementation
- Assess and apply the relevant ethical, political and social considerations to an organisation's strategy
- Contrast strategic management and operational management
- Explain the different perspectives on strategy, in particular deliberate v emergent strategies
- Explain the benefits and criticisms of the formalised strategic management process

## The Strategic Position

- Analyse the macro-environment of an organisation, and identify the key macro-environmental trends
- Analyse the industry/sector/market of an organisation, and identify the main competitive forces
- Identify the opportunities and threats facing an organisation
- Assess the resources and capabilities of an organisation, including:
  - Assessing threshold and distinctive resources
  - Evaluating core competencies
  - Applying the VRIO framework
  - Identifying critical success factors
  - Utilising benchmarking
- Assess the strengths and weaknesses of an organisation
- Advise how corporate strategy and purpose may be influenced by the following:
  - Corporate governance
  - Stakeholder expectations and mapping
  - Business ethics
  - Organisational culture
- The Marketing Dimension
  - Describe the role of marketing concepts in developing and supporting strategy
  - Explain how organisations can identify marketing opportunities
  - Advise organisations on market segmentation and on developing effective marketing mix strategies, including the use of digital marketing

## Learning Guide contd.

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### Strategic Choice

#### Strategic Choice: Corporate Level Strategy

- Describe the rationale for corporate diversification
- Assess the potential opportunities and risks of related and unrelated corporate diversification
- Identify and evaluate the role of the corporate parent: whether a portfolio manager, a synergy manager, or a parental developer
- Assess the corporate core competencies of an organisation
- Evaluate corporate level strategies, using the following portfolio matrices:
  - BCG Growth/Share Matrix
  - Directional Policy Matrix

#### Strategic Choice: Business Level Strategy

- Identify and critically evaluate the bases of competitive advantage available to an organisation
  - Cost leadership; differentiation; focus and hybrid
- Advise an organisation how to create a sustainable competitive advantage
- Describe and evaluate an organisation's business model
- Explain how game theory can contribute to strategic planning and decision making
- Describe how organisations can use cooperative strategies to achieve advantage or reduce competition
- Describe how entrepreneurial relationships such as business ecosystems and corporate venturing can support innovation and entrepreneurship and new venture creation

#### Strategic Choice: Growth Strategies

- Describe the nature of organic development, and advise an organisation how to develop a persuasive business case
  - Both for entrepreneurial start-ups and business expansion
- Explain the M&A process and evaluate the key issues in each stage of the process
- Assess the usefulness of strategic alliances and advise how to improve the likelihood of their effectiveness
- Identify and evaluate a suitable strategic growth strategy for an organisation in the context of its resources and its opportunities

#### Strategic Choice: Strategy Development

- Describe and evaluate the directions of growth available to an organisation
  - Identify success criteria appropriate for strategic decisions
  - Recommend and justify the most appropriate strategy based on these criteria
  - Assess how cognitive biases may influence the strategic decision-making process
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### Leadership

- Explain the nature of leadership
  - Describe the qualities and characteristics of effective leaders
  - Apply organisational leadership theories, including:
    - Trait theory; Managerial Grid; Path-Goal Theory; Hersey and Blanchard's Situational Theory, and Transformational and Transactional Theory
  - Evaluate the importance of strategic leadership and the key actions associated with the senior management team
    - Contrast strategic, visionary and managerial leadership styles
  - Describe how leaders can use theories of motivation to improve organisational productivity, including:
    - Equity Theory; Expectancy Theory, and Goal Setting Theory
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### Strategy Implementation: Structure, Processes and Culture

- Explain and assess the key elements of organisational design, including:
    - Structural differentiation and integration
    - Locus of decision-making
    - Coordination and control processes and mechanisms
  - Assess the main types of organisation structure, in particular in terms of their relative advantages and disadvantages
  - Describe the planning and control systems used within organisations, including:
    - Balanced Scorecard and ERP, market mechanisms and social/cultural processes
  - Explain the nature of organisational culture and its influence in strategy implementation
  - Describe the elements of organisational culture and how these may be identified and evaluated
  - Advise an organisation how to manage and change the culture of the organisation
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## Learning Guide contd.

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### Strategy Implementation: Managing Strategic Change

- Explain the nature of organisational change
  - Analyse the change situation facing an organisation and evaluate the drivers of organisational change
  - Identify the reasons for resistance to organisational change and advise how to manage organisational resistance to change
  - Explain and advise how to use organisational levers to manage a strategic change programme
  - Explain the importance of organisational leadership in managing strategic change
  - Apply a change management model as a framework to manage a change programme
    - Kotter's Eight Step Model
    - Lewin's Three Stage Model
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### Strategy Implementation: Project Management

- Describe the phases in a project and explain the terms objectives and scope in relation to project management
  - Describe the roles and responsibilities of a:
    - Project Manager
    - Project Sponsor
    - Project Team
  - Describe how project timelines and milestones are used in project planning and control
  - Explain how critical path analysis can be used to manage the critical activities and resources of a project (no calculations required).
  - Explain the appropriate project reporting procedures that should be in place for a project
  - Recommend how to effectively review a project on completion
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### Enterprise Risk Management

- Describe the nature and impact of risk
  - Explain and apply methods for
    - Identification, assessment and measurement of risk
    - Managing, monitoring, mitigating risk
    - Reporting risks
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### Sustainability Reporting

- Describe sustainability in the context of an organisation's strategy and the business case for incorporating it into the strategy
  - Explain the role and importance of the following in developing an effective sustainability strategy and reporting framework:
    - Vision and leadership
    - Stakeholder engagement
    - Goals and target setting
    - Integration with risk management
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## Learning Resources

### Core Texts

Gerry Johnson, Richard Whittington, Patrick Regnér, Kevan Scholes, and Duncan Angwin, Exploring Strategy, Pearson Education; 12th Edition (Dec 2019) ISBN-13: 978-1292282459

Peter G Northouse Leadership: Theory and Practice SAGE Publications Inc.; Ninth Edition (International Student Edition) February 2021 - ISBN-13:978-11071834473

Kotler Philip, Kevin Lane Keller, Marketing Management, Global edition/16th Edition (2021) Pearson, ISBN-13:978-1292404936

Gunnigle G., Heraty N., Morley M., Human Resource Management in Ireland, 5th. Edition, (2017), Institute Of Public Administration (2017) ISBN-13: 978-1910393178

### Supplementary Texts and Journals

Sustainability Framework 2.0, Professional Accountants as Integrators  
IFAC, March 2011 (Updated 2023)

Useful Websites (as of date of publication)

[www.cpaireland.ie](http://www.cpaireland.ie) - CPA Ireland

[www.marketingteacher.com](http://www.marketingteacher.com) - Marketing Teacher 2000 – 2007.

[www.strategy-business.com](http://www.strategy-business.com) - Strategy + Business.

[www.strategyanalytics.com](http://www.strategyanalytics.com) - Strategy Analytics

## Examination Approach

Strategic management is the main focus of the paper. Students are expected to demonstrate a thorough understanding of the processes involved in reviewing competitiveness and evaluating long-term options and the relevant marketing strategies. Individual related business topics are selected for detailed assessment on a planned basis each year, throughout a cycle of examinations (typically three years).

Students are expected to demonstrate strategic thinking and creativity through their ability to analyse business scenarios critically, carry out SWOT analyses and identify/justify innovative strategic options. In addition to understanding business in an Irish context, students should display a global outlook and an awareness of the importance of business ethics and social responsibility in organisations.

A thorough understanding of currently recognised theories and concepts relevant to the above areas and the ability to apply appropriate analytical techniques and business models effectively is essential. Equally important is the capacity for synthesis, demonstrated particularly by integrating areas such as marketing, knowledge management, project management, financial control and organisation behaviour. The ability to communicate clearly and succinctly is an overriding requirement. The marking scheme strongly favours the demonstration of critical analysis, judgment and innovation, rather than the mere identification of concepts and models or descriptive writing about these.

## Examination Format

This examination is unseen, open book and 4 hours in duration. Each exam will also have an additional 20-minute reading time.

All exam papers at the Strategic Level will be prepared in accordance with the following format:

Section A: 80 marks. All questions are compulsory. There will be no multi-choice questions at this level.

Section B: 20 marks. This section will contain a number of optional questions. The exact number and mark weighting of these questions will vary at the discretion of the subject examination team.

The individual subject examination team will decide upon the exact question style considered most appropriate to their specific subject. This format will be followed in subsequent exams. Should a change to the exam format be deemed appropriate this will be notified, in advance, in the annual Educator's Briefing. Please refer to the CPA Ireland website for latest Educators Briefing.