

Unit 41: Hospitality Business Strategy

Unit code	H/616/1826
Unit level	5
Credit value	15

Introduction

The aim of this unit is to develop students' awareness of the different kinds of strategy which could be used in an operational, tactical or strategic role for a hospitality organisation. This will be underpinned by a thorough knowledge and understanding of the theories, models and concepts which could significantly support an organisation's strategic choice and direction.

On successful completion of this unit students will have developed sufficient knowledge and understanding of strategy to make a positive, efficient and effective contribution to the development of business plans and operational direction. This could be in the role of a junior manager responsible for having a specific input into an organisation's decision-making and planning.

Learning Outcomes

By the end of this unit a student will be able to:

1. Analyse the impact and influence which the macro environment has on a hospitality organisation and its business strategies
2. Assess a hospitality organisation's internal environment and capabilities
3. Evaluate and apply the outcomes of an analysis using Porter's Five Forces model to a given market sector
4. Apply models, theories and concepts to assist with the understanding and interpretation of strategic directions available to a hospitality organisation.

Essential Content

LO1 **Analyse the impact and influence which the macro environment has on a hospitality organisation and its business strategies**

The strategic context:

Missions, visions and objectives

The definition and meaning of strategy

The role of strategy to achieve business objectives and goals, strategic intent and different strategic direction

Different strategic planning techniques

Analytical frameworks of the macro environment:

The different types of frameworks and analysis of the macro environment, including:

- Stakeholder analysis: stakeholder matrix, stakeholder mapping
- Environmental analysis: PESTLE and Porter's Five Forces model
- Structure-conduct-performance model
- Strategic positioning: Ansoff's growth vector matrix
- Organisational audit: SWOT analysis, benchmarking indicators

LO2 **Assess a hospitality organisation's internal environment and capabilities**

Organisational internal environment:

What are strategic capabilities and what are the key components of strategic capabilities?

Resource-based view strategy as a basis for competitive advantage and McKinsey's 7S model as a management tool

Analysis of strategic capabilities using the VRIO/VRIN framework

Benchmarking strategic capabilities and value chain analysis

Cost-benefit analysis

LO3 Evaluate and apply the outcomes of an analysis using Porter's Five Forces model to a given market sector

Analytical tools and models of analysis:

The Balanced Scorecard to align organisation vision and strategy

Competitive analysis using Porter's Five Forces model

Stakeholder analysis

Applying the Ansoff matrix to product/market strategy

LO4 Apply models, theories and concepts to assist with the understanding and interpretation of strategic directions available to a hospitality organisation

Strategic choices and directions:

The application of Porter's generic strategies: cost and price leadership strategy, differentiation strategy, focus strategy and the extended model of Bowman's strategy clock

Hybrid strategy

Diversification

Vertical/horizontal integration

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Analyse the impact and influence which the macro environment has on a hospitality organisation and its business strategies		LO1 LO2 LO3 LO4 D1 Critique and interpret information and data applying environmental and competitive analysis to produce a set of valid strategic directions, objectives and tactical actions for a hospitality organisation
P1 Applying appropriate frameworks, analyse the impact and influence of the macro environment on a given hospitality organisation and its strategies	M1 Critically analyse the hospitality macro environment to determine and inform strategic management decisions	
LO2 Assess a hospitality organisation's internal environment and capabilities		
P2 Analyse the internal environment and capabilities of a given hospitality organisation using appropriate frameworks	M2 Critically evaluate the internal environment to assess strengths and weaknesses of an organisation's internal capabilities, structure and skill set	
LO3 Evaluate and apply the outcomes of an analysis using Porter's Five Forces model to a given market sector		
P3 Applying Porter's Five Forces model, evaluate the competitive forces of a given market sector for a hospitality organisation	M3 Devise appropriate strategies to improve competitive edge and market position based on the outcomes	
LO4 Apply models, theories and concepts to assist with the understanding and interpretation of strategic directions available to a hospitality organisation		
P4 Applying a range of theories, concepts and models, interpret and devise strategic planning for a given hospitality organisation	M4 Produce a strategic management plan that has tangible and tactical strategic priorities and objectives	

Recommended Resources

Textbooks

JOHNSON, G. et al. (2014) *Exploring Strategy Text and Cases*. Harlow: Pearson.

JOHNSON, G. et al. (2011) *Fundamentals of Strategy*. 2nd ed. London: Financial Times/Prentice Hall.

KIM, W.C. and MAUBORGNE, R. (2015) *Blue Ocean Strategy*. Expanded ed. Boston: Harvard Business Review Press.

ROTHAERMEL, F. (2014) *Strategic Management*. 2nd ed. Maidenhead: McGraw-Hill.

Links

This unit links to the following related units:

Unit 1: The Contemporary Hospitality Industry

Unit 29: Managing and Planning an Event

Unit 31: Hospitality Digital Marketing

Unit 46: Managing and Running a Small Business