

**Corporate Objectives 3.1.1**

1	<b>Key Ideas</b>	An objectives is something that a business intends to achieve. Businesses develop corporate objectives from mission statements and corporate aims. The unit explores the role of corporate aims and corporate objectives in shaping the strategy that a business follows.
2	<b>Vision</b>	A general idea of what direction the business wants to head in
3	<b>Mission</b>	Declare the businesses overriding purpose, but may also reflect the goals and values
4	<b>Key idea</b>	Vision, Mission, Corporate Objectives, Functional Objectives, Team Objectives, Personal Objectives
5	<b>SMART</b>	Specific, Measurable, Agreed, Realistic, Timely
6	<b>Key idea</b>	Objectives drive a business. The size and type of business will determine what type of objectives they set. Small firms are likely to have different objectives from big established organisations
7	<b>Key idea</b>	Mission statements should be constantly assessed to ensure they have relevance for the business. Sometimes mission statements do not a line with objectives. Eg. The mission statement includes respect and integrity, but the Business gets caught out for fraud.

**Aims and Objectives 3.1.1**

1	<b>Why are they needed</b>	They give the Business a focus and goal to work towards
2	<b>Financial objectives</b>	survival, profit, sales, market share, financial security, monopoly
3	<b>Non-financial Objectives</b>	social objectives, personal satisfaction, challenge, independence and control.
4	<b>Why do Businesses have different Objectives</b>	A new business needs to focus on survival, whereas an established Businesses will want to increase their share of the market. Businesses Objectives need to be different depending on their current situation.

**Ansoff Matrix 3.1.2**

1	<b>Key Idea</b>	A strategic decision making tool to help a business grow.
2	<b>Market Penetration</b>	Existing markets with existing products. Done by increasing brand loyalty, increasing use of product, increase size of product. This is the least risky strategy.
3	<b>Product Development</b>	New Products with existing markets. This is a good strategy to adopt when the PLC is short, or in a market where trends change quickly.
4	<b>Market Development</b>	Existing products in to new markets. The most basic example for this strategy is by a new geographical area.
5	<b>Diversification</b>	New products in a new market. This is the most risky option for growth. Generally adopted by large businesses with considerable capital and strong brand. A consideration with this option is that there may be significant barriers to entry.

**Key Vocabulary**

1	<b>Objectives</b>	Aim or Goal of a Business, Team or Individual
2	<b>Sustainability</b>	Research, adopt and promote best working practices that help protect the environment and to contribute to local and global environment
3	<b>Mission Statement</b>	Overall vision or direction the Business wants to work towards giving the Business focus
4	<b>Corporate Strategy</b>	Strategic planning involves key members of management looking critically at what the business has done and what is still wants to do in the future
5	<b>Ansoff Matrix</b>	Strategic tool to help a Business achieve growth
6	<b>Economies of Scale</b>	Where the price per unit is reduced the more the business makes
7	<b>Distinctive Capability</b>	A form of competitive advantage that is sustainable because it cannot easily be replicated by a competitor

**Porters Strategic Matrix 3.1.2**

1	<b>Key Idea</b>	Porters is used to identify the sources of competitive advantage. Porter suggests that a business that does not chose one of the strategies is likely to become 'stuck in the middle' and lose its way.
2	<b>Cost Leadership</b>	This is skiving to be the lowest cost provider in the market. Although, this doesn't mean the business will necessarily offer the lowest price. However, the business who operates with the lowest costs are likely to have a significant market share, and be negotiating prices through suppliers and therefore achieving Economies of Scale
	<b>Key Idea</b>	If a Business can operate at the lowest cost provider they will likely increase profits, and increase market share
	<b>Differentiation</b>	Business operates in a mass market but adopts a unique position instead of lowest cost. Differentiation is achieved by adding value, improving quality, functionality, customer service. The advantage of this strategy is that a Business may charge a premium price if customers value their USP
	<b>Focus</b>	Targeting customers in a narrow range using 2 methods (Cost Focus & Differentiation Focus). It tends to only by used by small or very specialist firms who know their customers needs and wants very well, giving them a competitive advantage.

Portfolio Analysis 3.1.2		
1	<b>Key Ideas</b>	Portfolio analysis is a method for a business to categorise all of the products and services of a firm (creating a portfolio) so can decide where each fits within the strategic plans. Products are then evaluated according to their competitive positions and potential growth. This tool is called the <b>Boston Matrix</b> .
2	<b>Starts</b>	High Growth and High Market Share. It still requires investment but potentially will become Cash Cows
3	<b>Cash Cows</b>	Low Growth and High Market Share. They require little investment for promotion of the products but tend to generate lots of income. These are good products for a Business
4	<b>Question Marks</b>	Low market share and high market share. These are the unknown, new products. They are costly and give little return but have the potential to turn in to Stars.
5	<b>Dogs</b>	Low share and low growth. These products make break-even at best but take time and effort with little return. They should be sold off or discontinued
6	<b>Key idea</b>	This decision making tool can be used in conjunction with Ansoff Matrix to determine a strategy. If a firm believe that it has a star it may decided to adopt a market penetration strategy to increase sales revenue and maximise market share.

Distinctive Capabilities 3.1.2		
1	<b>Key Ideas</b>	Competitive Advantage is a set of unique features of a company and its product that are perceived by customers as significant. These features will allow a business to perform better than its competitors
2	<b>How</b>	Superior quality Superior design After sales service Creative advertising Economies of scale and charge lower prices Reputation Ethical position
3	<b>Architecture</b>	Refers to the contracts and relationships within and around the business. Employees/Employers Stakeholders Shareholders The value added by this architecture is often intangible and closely linked to the culture
4	<b>Reputation</b>	Closely linked to brand image and takes time to build. It refers to the positive association the business builds around them such as reliability, service, prestige and honesty.
5	<b>Innovation</b>	A sustainable competitive advantage by innovating. Investment is required

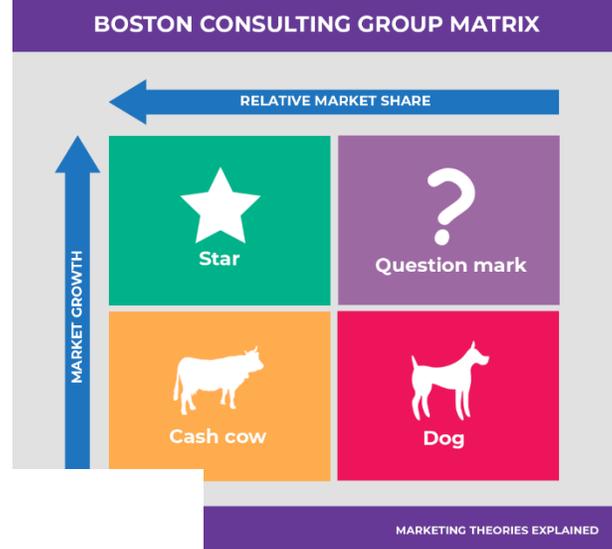
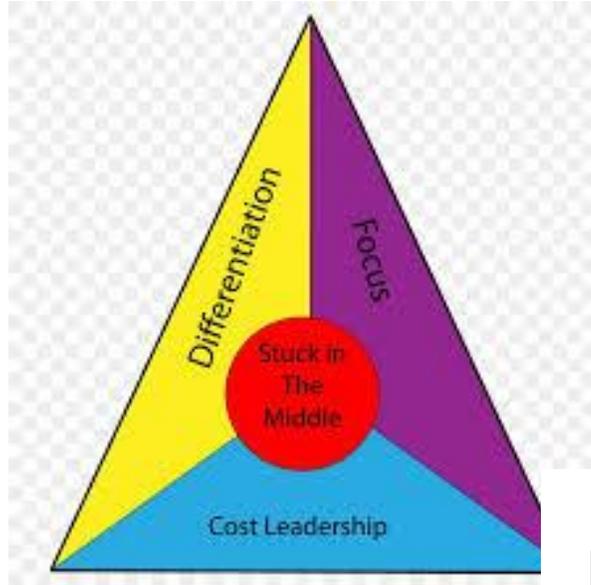
Strategy V Tactics 3.1.2		
1	<b>Key Ideas</b>	Strategic decisions and planning are based on long term direction in the hope of achieving objectives
2	<b>Key Ideas</b>	Tactical decisions need to be made quickly and are for immediacy without significant research or planning. Unfortunately this means that decisions can backfire if made poorly.

The Tools		
1	<b>Ansoff Matrix</b>	This is a tool to help identify current position, and chose a direction. 'The what and where tool'
2	<b>Porters Strategic Matrix</b>	3 strategies that a Business might use to compete. 'The how tool'
3	<b>Boston Matrix (Product Portfolio)</b>	This tool helps to categorise a firms products and plan for future growth
4	<b>Distinctive Capabilities</b>	Help ascertain if a strategy is sustainable, defensible and has longevity
5	<b>SWOT</b>	This tool carries out an internal and external audit of the Business itself and how it operates. Helps to make decisions to identify areas for improvement.
	<b>PESTLE</b>	Based on the external environment that a Business operates in

SWOT		
1	<b>Key Ideas</b>	Assesses Internal and External Strengths and Weaknesses
2	<b>Key Ideas</b>	Strengths Weaknesses Opportunity Threats  By way of identifying the key strengths of abusiness, they can plan around this.

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7	<b>Distinctive Capability</b>	A form of competitive advantage that is sustainable because it cannot easily be replicated by a competitor
8	<b>External Audit</b>	An audit of the external environment of the Business, such as the market or government regulation
9	<b>Internal Audit</b>	An anlysis of the business itself and how it operates

PESTLE		
1	<b>Key Ideas</b>	A strategic tool to assess the external environment, including any factors that affect the business, which aids decision making.
2	<b>Key Ideas</b>	Political Economic Social Technological Legal Environment/Ethical



### PESTLE Analysis Cheat Sheet

P	E	S	T	L	E
Political	Economical	Social	Technological	Legal	Environmental
<b>Explore:</b> <ul style="list-style-type: none"> <li>Current taxation policy</li> <li>Future taxation policy</li> <li>The current and future political</li> </ul>	<b>Explore:</b> <ul style="list-style-type: none"> <li>Overall economic situation</li> <li>Strength of consumer spending</li> </ul>	<b>Explore:</b> <ul style="list-style-type: none"> <li>lifestyle trends</li> <li>demographics</li> <li>consumer attitudes and opinions</li> <li>media views</li> </ul>	<b>Explore:</b> <ul style="list-style-type: none"> <li>Relevant current and future technology innovations</li> <li>The level of research funding</li> </ul>	<b>Explore:</b> <ul style="list-style-type: none"> <li>Legislation in areas such as employment, competition and health &amp; safety</li> <li>Future</li> </ul>	<b>Explore:</b> <ul style="list-style-type: none"> <li>The level of pollution created by the product or service</li> <li>Recycling considerations</li> </ul>

