

Development In Business Simulation & Experiential Exercises, Volume 18, 1991

MAKING BUSINESS POLICY A STRATEGIC MANAGEMENT EXPERIENCE

Michael P. Bradley, University of San Diego
Robert E. Kemper, Northern Arizona University

ABSTRACT

This paper describes an experiential approach to teaching business policies or strategic management. A twelve stage simulation of the strategic process of restructuring a business organization was developed to provide students with the experience of making major long term decisions in the corporate environment. The process described here uses two teaching modes simultaneously. One is more structured, with the student completing assigned exercises that help develop the skills needed to bridge the gap between business concepts and applications. The other mode actively involves the student in creatively and imaginatively applying strategic management in the emerging situation of restructuring a business organization. The twelve phases of this experiential approach are discussed giving brief examples of the two modes of learning in each phase.

INTRODUCTION

Business policies or strategic management is the capstone course of the business school curriculum. Because it is the final core course, the student should bring a substantial knowledge in accounting, business law, business communications, computer science, economics, finance, management, and marketing to the classroom. This knowledge will be used by the student to further develop a functional skill base in preparation for a career in general management.

Strategic management is the development and implementation of the strategy for the entire organization. Strategic management gives organizational direction by defining the organizational mission, and determining its goals.

TRADITIONAL BUSINESS POLICIES

Transferring the basic knowledge of business theories to the skills and abilities to implement these concepts as a manager is the challenge of the business policy course. Traditionally, the business policy course attempts to develop a general perspective of strategic management and the role of the general manager/strategist in a variety of domestic and multinational situations. This is accomplished by having the students analyze cases that present actual data from large corporations. The students are expected to apply their previous knowledge from prior business courses and the concepts of strategic management from the current course to develop alternative strategies for the organization and recommend the implementation of strategies, policies and procedures that will solve the particular problems of the organization.

In analyzing these cases, the student is expected to develop the ability to identify issues, apply analytical expertise, use research skills, make strategic decisions, propose alternative solutions, determine appropriate choices, establish a strategic plan, and defend the choice. However, the students do these tasks as observers of static situations. They are outsiders presented with a past scenario with a fixed database and asked to present a solution to a stated problem. They have leaped from concepts to applications without experiencing the trauma of the difficult process in between. And they have not been given the opportunity to develop the skills needed to successfully bridge the gap between knowledge and applications.

SIMULATION

The simulation approach to strategic management uses experiential exercises to develop the skills needed to apply strategic decision making in organizations. As these skills are developed, they are used to apply the general business knowledge of the students together with the specific concepts of strategic management in one overall project of restructuring an existing organization.

SKILL DEVELOPMENT

These required skills that this experiential approach helps to develop are:

- *the ability to work constructively with peers in an organizational situation,
- *the ability to constructively evaluate the work of co-workers,
- *the ability to accept and utilize constructive criticism from constituents,
- *the ability to communicate persuasively in a business setting,
- *the ability to listen with objectivity and provide positive feedback,
- *the ability to initiate action and to lead others in the student's own area of functional expertise,
- *the ability to "know thyself, to judge one's own capabilities, and know when to lead and when to follow,
- *the ability to support the organization by offering constructive positive and critical assessments.

In accomplishing this task, they develop the ability to transfer strategic management theory, practical application of strategic management theory, and business skills from the class room to the job after graduation.

ACTIVE PARTICIPATION

Honing these application skills requires time, effort, and active participation in realistically structured business situations. We have developed a 12-phase program that accomplishes the objectives of the strategic management course while also developing the abilities and skills needed to implement this process.

CONCLUSIONS

The experiential approach is supplemented throughout by traditional strategic management cases and literature. The students need this traditional material to add structure and background to their experiential exercises. No approach is perfect, but this process described briefly in this paper has been very effective in giving students a taste of the real world' and a feel for the scope and significance of strategic management.