**SESSION PLAN**

**COURSE:** ABE Level 4 Enterprising Organisations

**ELEMENT:** Element 3: The differences between strategic and operational management

**LEARNING OUTCOME 1**

**Explain methods by which organisations are managed strategically and operationally (Weighting 25%)**

3.1 Explain the concept of operational management

3.2 Summarise the differences between strategic and operational management

3.3 Explain the concept of strategic management and its interaction with operational management

**NUMBER OF SESSIONS:** Three - approximately 13 hours in total. LO3 Tutor Presentation E3; Activities 1-6

**SESSION TOPICS:** Session 6: Operational management

Session 7: Strategic and operational management

Session 8: Strategic management

### Note to tutors: These are the recommended session outlines for Learning Outcome 3 of the ABE Level 4 Enterprising Organisations. You should follow the plan, using the resources (referenced as ‘slides’) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.

### SESSION 6: Operational management (5 hours)

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** | |
| Introduction to session and learning outcomes | Use file: **LO3 RESOURCE**  Assessment Criterion 3.1 | 1-4 | Listen |  | |
| Relationships between business functions | Debrief **Homework Activity 6**  Encourage learners to share their research and facilitate discussion noting similarities and differences in the findings | 5 | **Homework Activity 6**  Share your research on how an organisation structure design can impact organisational culture  Contribute to discussion. Listen and make notes on other people’s contributions. |  | |
| Operational management – introduction | Background   * Operational management is often said to be about doing things right whilst strategic management is about doing the right thing * Strategic management is concerned with why the organisation exists, the objectives it wants to achieve and the market it intends to serve. * Operational management is about translating that strategy into meaningful policies, procedures, processes and activities that ensure the organisation meets its objectives   Refer to Study Guide to expand | 6 | Listen, ask questions and make notes |  | |
| Facilitate **Class Discussion** to bring out the following points:   * Both are equally important to the success of the organisation * It’s usually a compromise rather than a perfect mix of efficiency and effectiveness * Sometimes doing the right thing may be initially inefficient e.g. adoption of green technologies but it drives innovation which leads to efficiencies later on * Therefore need to balance short term efficiency with long term effectiveness | 7 | **Class Discussion**  Which is more important for an organisation performance: efficiency or effectiveness? Can an organisation succeed in both simultaneously?  Discuss  Contribute to discussion  Listen, ask questions and make notes |  | |
| Relationships including customer relationship management and relationship marketing | Definition - Relationships   * ‘A business company is likely to be involved in very routine relationships with some of its customers and suppliers. These relationships may consist of no more than a few phone conversations or an email order or confirmation for a simple product or service. But the same company is likely to have more complex relationships with others.’ *Ford et al. (2013)*     Refer to Study Guide to expand |  | Listen, ask questions and make notes |  | |
| Definitions – customer relationship management and relationship marketing   * ’Equally widely accepted is the view that the cement that binds successful relationships together is the two-way flow of value – that is, the customer derives real value from the relationship which converts into value for the organisation in the form of enhanced profitability.’ *Christopher et al (2008)* * ‘attracting, maintaining and …. enhancing customer relationships’ *Berry (1983)*   Refer to Study Guide to expand |  | Listen, ask questions and make notes |  | |
| Role of operational management | The role of operational management   * Efficient managers use resources to achieve objectives whilst minimising waste. * Effectiveness is achieved by doing the right things to achieve objectives and outputs. Effectiveness has to come first as a manager must do the right thing then focus on how they can do it better or more efficiently.   Refer to Study Guide to expand | 8 | Listen, ask questions and make notes |  | |
| Evolution of operational management | The evolution of operational management   * Scientific management * Human relations school * Lean manufacturing   Refer to Study Guide to expand | 9 | Listen, ask questions and make notes |  | |
| Brief **Group Activity 1**  Working with the class group as a whole, facilitate the development of a timeline, discussing the political, economic, social and technological factors that will have driven changes in the different schools of operational management and answer questions as necessary. Debrief activity. |  | **Group Activity 1**  Develop a time line of operational management using paper and pen or flipcharts and sticky note pads. Include:  - Main theories  - External environmental forces (consider PESTLE)  Make notes and Feedback key points  Listen, ask questions and make notes | E3 LO3 Activity 1: Operational management timeline | |
| Trends in operational management | Trends in operational management   * Value chain * Supply chain * Logistics * Procurement * Outsourcing * Quality systems (ISO, EFQM)   Refer to Study Guide to expand | 10 | Listen, ask questions and makes notes |  |
| Brief on **Homework Activity 2**  Research one of the trends of operational management. Develop a 5-minute presentation including:   * What it is * How it works * Benefits for operational management in improving efficiency and/or effectiveness |  | Listen and ask questions as necessary  Individual activity as homework | E3 LO3 Activity 2: Trends in operational management |

### SESSION 7: Strategic and operational management (4 hours)

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** | |
| Trends in operational management | Debrief **Homework** **Activity 2**  Ask students to deliver their presentations, keeping a time check to avoid overruns, asking questions and encouraging students to ask questions | 11 | **Homework Activity 2**  Deliver your 5-minute presentation on a trend in operational management  Listen, ask questions and make notes |  | |
| Differences between operational management and strategic management | Facilitate **Classroom discussion** to bring out the following points   * Operational management is about the execution of the strategy * Strategic management is concerned with leadership and seeing beyond the day to day * The difference helps us to ensure that time is spent looking ahead rather than just in the day to day task management   Refer to Study Guide to expand | 12-13 | What are the differences between strategic and operational management and why is this distinction between the two important?  Discuss  Contribute to discussion  Listen, ask questions and make notes |  | |
| Background - definitions   * Operational management is concerned with the planning, organising and supervising in the contexts of production, manufacturing and provision of service * Strategic management is concerned with the leadership of the organisation and is involved in determining the strategic direction of the organisation based on the resources, capabilities and competence that it currently possesses and an appraisal of the external and competitive environment in which it operates   Refer to Study Guide to expand | 14-15 | Listen, ask questions and make notes |  | |
| Brief **Small Group Activity 3**  Circulate the room and provide support where necessary. Facilitate a debrief session |  | Complete **Small Group Activity 3**  Develop your own definitions of:  - Operational management and;  - Strategic management | E3 LO3 Activity 3: Definitions of operational management and strategic management | |
| Key differences  Discuss the key differences between operational management and strategic management on the table in the slide.  Refer to Study Guide to expand | 16 | Listen, ask questions and make notes |  | |
| Brief on **Homework Activity 4**  Watch [The difference between operations and strategy](https://www.youtube.com/watch?v=EQCo-7SMJ_c)  In the video the concepts of strategy and operations are explain using the metaphor of a boat. Develop your own metaphor to explain the differences between strategic and operational management. |  | Listen and ask questions as necessary  Individual activity as homework | E3 LO3 Activity 4: Management metaphors |

**SESSION 8: Strategic management (4 hours)**

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** | |
| Differences between operational management and strategic management | **Debrief Homework Activity 4**  Review the metaphors used by class members and capture the themes used to describe the differences  Facilitate discussion | 17 | Share your metaphors to explain the differences between strategy and operational management |  | |
| Corporate governance | **Facilitate Classroom Discussion**  Facilitate discussion drawing out:   * Ideally an organisation will ensure that operations managers feed into the strategic process * This doesn’t happen in every organisation * There are benefits and pitfalls in involvement and non-involvement   Refer to study guide to expand | 18 | **Classroom Discussion**  Operations managers are integral to strategic management in many companies and organisations.  Discuss and contribute to class discussion  Listen, ask questions and make notes |  | |
| Corporate governance   * The system of rules, practices and processes by which a company is directed and controlled * Essentially involves balancing the interests of a company's many stakeholders * Provides the framework for attaining a company's objectives * Encompasses practically every sphere of management   Refer to Study Guide to expand | 19-20 | Listen, ask questions and make notes |  | |
| Effective operational management | Effective operational management   * Operational management tends to be focused on what is happening internally within the organisation * Strategic management foresees external influences * May have to change the way the business operates or change the direction of current strategic objective   Refer to Study Guide to expand | 21 | Listen, ask questions and make notes |  | |
| Brief **Paired Activity 5**  Facilitate a discussion among the group to develop an understanding of how policies and procedures can be used to organisational minimise risk |  | **Paired Activity 5:**  Read [Anticipating risk](http://www.icfj.org/resources/who%E2%80%99s-running-company-guide-reporting-corporate-governance/anticipating-risk). This brief article argues that a key part of corporate governance. Using an organisation with which you are familiar research what policies and procedures the leadership use to minimise risk  Contribute to class discussion  Listen, ask questions and make notes | E3 LO3 Activity 5: Anticipating risk |
| Culture | Organisational culture   * Organisational culture *‘…represents the collective values, beliefs and principles of organisational members and is a product of such factors as history, product, market, technology, strategy, type of employees, management style, and national culture; culture includes the organisation's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits.’*   Refer to Study Guide to expand | 22 | Listen, ask questions and make notes |  |
| Globalisation   * Strategic management has become more internationalised * Choices about operations will have to be on an international scale * Includes making decisions concerning overseas operations and activities | 23 | Listen, ask questions and make notes |  |
| Brief on **Homework Activity 6**  Investigate an organisation with which you are familiar. How is globalisation impacting the organisation? |  | Listen and ask questions as necessary  Individual activity as homework | E3 LO3 Activity 6: Globalisation and culture |
| Review of session and learning outcomes |  |  | Listen |  |