Strategic Management

University Business · Vocabulary in context

Word	Example
strategic management /strəˈtiːdʒɪk ˈmænɪdʒmənt/	**Strategic management** chooses what the business will be and how to get there.
five forces	The **five forces** show how strong the competition in an industry is.
VRIO	**VRIO** tests whether a resource is valuable, rare, hard to copy and well organised.
value chain /ˈvæljuː tʃeɪn/	Baking and delivery are steps in the bakery's **value chain**.
cost leadership	**Cost leadership** means winning by having the lowest costs.
differentiation /ˌdɪfəˌrenʃɪˈeɪʃn/	**Differentiation** means winning by being different and better.
stuck in the middle	A firm **stuck in the middle** is neither the cheapest nor the best.
activity system	An **activity system** shows how a firm's activities support each other.
dominant strategy /ˈdɒmɪnənt ˈstrætədʒi/	A **dominant strategy** is best whatever the rival does.
Ansoff matrix /ˈænsɒf ˈmeɪtrɪks/	The **Ansoff matrix** shows four ways to grow, using new or old products and markets.
CAGE distance	**CAGE distance** compares countries on culture, government, geography and economy.

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synergy	**Synergy** means two firms together are worth more than apart.
balanced scorecard	A **balanced scorecard** measures money, customers, processes and learning.
execution gap	The **execution gap** is the difference between what the plan needs and what the firm has.
expected value /ekˈspektɪd ˈvæljuː/	The **expected value** of one dice roll is 3.5.
EVPI	**EVPI** is the most you should pay for perfect information.
real option	A **real option** keeps a choice open, such as a small trial before a big launch.
scenario	A **scenario** is one possible future, not a forecast.
trigger	A **trigger** is a number agreed in advance that forces a review.
case analysis /keɪs əˈnæləsɪs/	A **case analysis** uses evidence to explain a business decision.