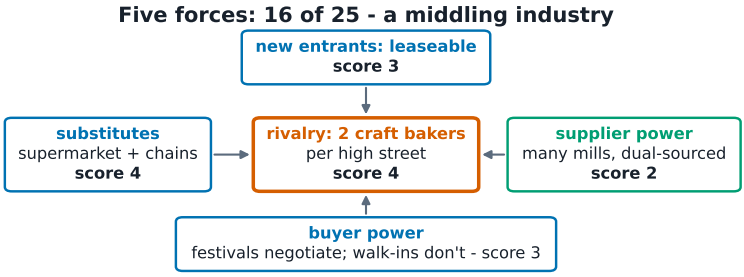
Strategic Management

Curated undergraduate study track (not accredited, no external exam). Original explanations and practice only, following the reviewed course handout.

Twelve courses, one decision

- Nimbus Kitchen at the crossroads: grow what works, add products, or buy the cafe - every framework scored, every score arithmetic.
- The habit - **a number for every argument**, and the decision at the end.

Industry and internal analysis: score, then act



total 16 of 25: the profit must come from position; industry average 6%, top quartile 11%

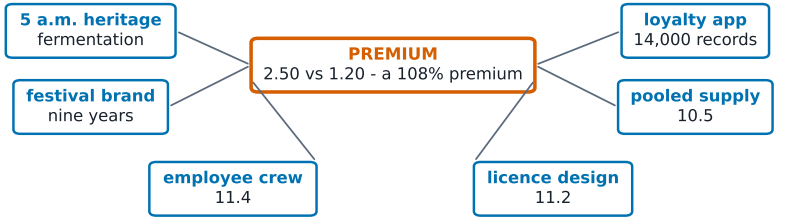
Five forces score 16 of 25; the bun earns an 8% margin.

Analysis in action: the margin bridge

1. **Price** +0.03 on the festival line - the willingness is measured.
2. **Materials** +0.03 through pooled safety stock (course 10.5).
3. **Labour** +0.02 via the second mixer's 1.67 batches an hour.

Competitive strategy: position, fit, equilibrium

The premium position is a system, not a price



the 2.50 bun: materials 0.95 + labour 0.70 + energy 0.20 + distribution 0.15 + overhead 0.30

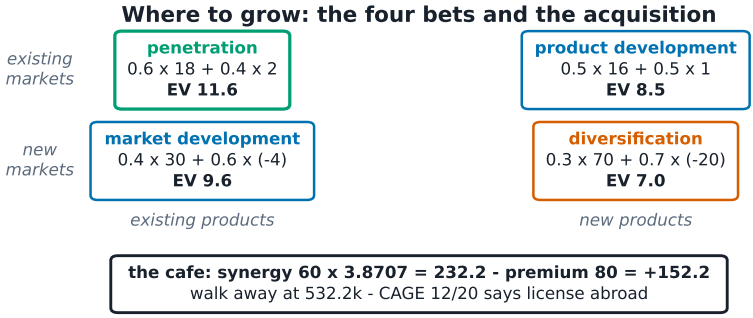
= cost 2.30, margin 0.20 (8%) - against the supermarket cost line of 1.60

Six reinforcing activities carry a 108% price premium.

Strategy in action: the value line post-mortem

1. **Cost** Its own cost is 1.95: margin -0.15.
2. **Brand** It spends the only sustained resource to attack a cost curve Nimbus cannot beat.
3. **Verdict Stuck in the middle** wearing a growth costume - the analysis is one line long.

Corporate and international strategy: bet by the arithmetic

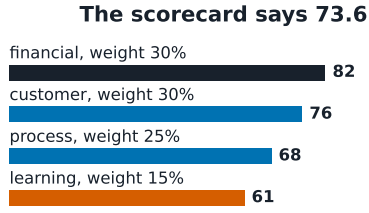


Ansoff values: penetration 11.6k leads; walk away from the cafe at 532.2k.

Growth in action: the walk-away number

1. **Synergy** 60k x 3.8707 = 232.2k at the WACC.
2. **Room** Value = 232.2 - premium: +152.2 at 380k, -17.8 at 550k.
3. **Line** Walk away at 532.2k - and stage it: the pilot first (11.6 vs 7.0).

Implementation and organisation: the index, then the gap



index = 82(.30) + 76(.30) + 68(.25) + 61(.15) = 73.55

execution gap
strategy needs 32 supervisory h/wk
the roster has 28 - gap 4 hours

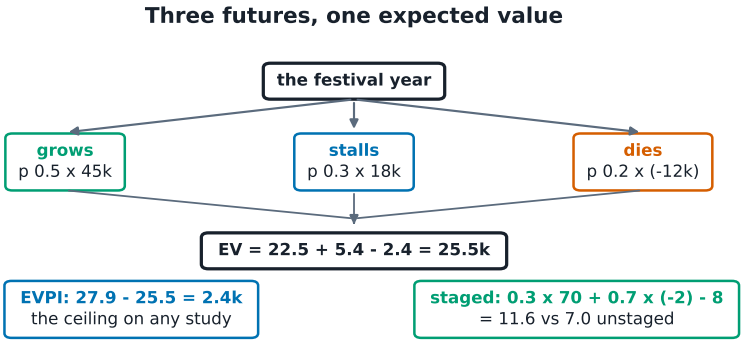
the cascade
objective - measure - target - initiative - owner
repeat purchase 34% - 45% by the festival

Scorecard index 73.55 hides a 4-hour supervision gap.

Implementation in action: four hours

1. **Find** Strategy needs 32 supervisory hours; the roster has 28.
2. **Buy** Promote the Saturday supervisor (+3), cut the dead value line (-1), measure the rest.
3. **Cascade** Repeat purchase 34 to 45 by the festival - the head baker owns the number.

Strategy under uncertainty: EV, EVPI, options

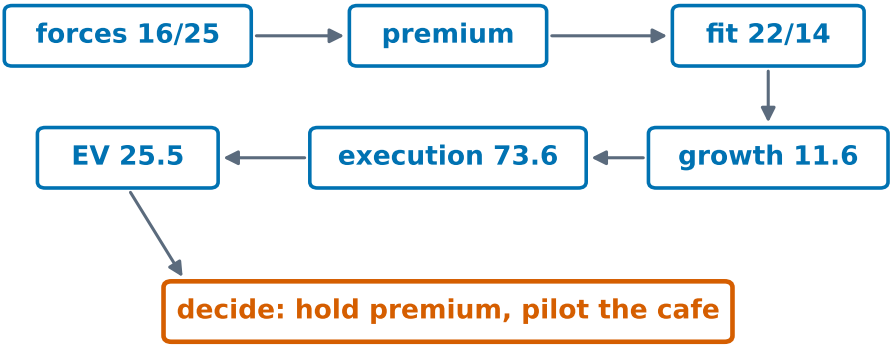


EV 25.5k; perfect information is worth only 2.4k.

Uncertainty in action: the 6k study

1. **Ceiling EVPI** = 27.9 - 25.5 = 2.4k - all **scenario** information, perfect or not.
2. **Better** A week of loyalty-app data is nearly free and moves the probabilities.
3. **Stage** The 8k pilot adds 4.6k of value by cutting the tail - spend there.

Integrated case: the file on one page



The case spine: every number traceable from forces to decision.

The integrated case in action: the forty-word memo

1. **Decision** Hold premium, deepen penetration (11.6); buy the cafe only below 532.2k, staged (11.6); license abroad (CAGE 12); no value line.
2. **Triggers** Repeat 34 to 45 by the festival; gap to zero by June; pre-orders -20% by week 4 lapses the option.
3. **Discipline** Written before the festival, not after - prediction with review, not the retrospective rewrite.

The project sheet, reproducible

1. **Analysis** Forces 16/25; margin 0.20 = 8%; **VRIO** one sustained; bridge to 11%.
2. **Numbers** Premium 108%; equilibrium 22/14; EVs 11.6/9.6/8.5/7.0; cafe +152.2, walk-away 532.2; index 73.55, gap 4h; EV 25.5, **EVPI** 2.4, staged 11.6.
3. **Standard** A reader with a calculator can check any number - that is the bar for strategy too.

Check yourself

- The industry score and the margin bridge? (16/25; +0.03 +0.03 +0.02.)
- The equilibrium and the value line? ((Premium, Ignore) 22/14; -0.15.)
- The growth EVs and the walk-away? (11.6 / 9.6 / 8.5 / 7.0; 532.2k.)
- The gap and the ceiling on knowing? (4 hours; **EVPI** 2.4k.)