

GLOBAL STRATEGY AND LEADERSHIP

CPA PROGRAM SUBJECT OUTLINE

Global Strategy and Leadership is the capstone subject for the CPA Program. This subject consolidates and builds on the learnings candidates have gained in the other three compulsory subjects: Ethics and Governance, Financial Reporting and Strategic Management Accounting. In the increasingly complex business environment in which organisations operate, characterised by change, uncertainty and escalating competition, the disciplines of strategy and leadership have become critical to successful organisational performance.

The aim of this subject is to link the knowledge of management and financial accounting to the concepts of strategy and leadership. Accountants use a variety of technical information to make decisions for the future of the business within an ethical framework of operation. This subject shows that accounting information, ethics, strategy and leadership are applicable to accountants working throughout the world in diverse organisations. As discussed in Ethics and Governance, accounting as a profession is respected internationally and CPAs are employed worldwide. The subject's materials address the needs of candidates operating in different international markets in varying roles.

The concepts of professional ethics and good governance underpin the subject. Candidates who have previously undertaken the Advanced Audit and Assurance or Strategic Management Accounting subjects will be familiar with the use and application of Porter's five forces model. Those candidates who have studied Strategic Management Accounting will note a number of other concepts that have been expanded upon in this subject, including strategic analysis, performance measurement and the value chain. The international focus of this subject acknowledges the importance of the reporting requirements under the International Financial Reporting Standards (IFRSs).

EXAM STRUCTURE AND PREPARATION

The Global Strategy and Leadership exam is comprised of multiple-choice questions based on your study materials and extended response questions that are based on short case studies. From Semester 2 2017 the Global Strategy and Leadership exam will no longer be based on 'pre-seen' case studies. Instead, candidates will be presented with case studies within the exam. These case studies will be shorter than those currently used, and will be easily read and understood within the existing exam time available.

It is important that in advance of your exam you apply the concepts you've learned throughout the semester and then comprehensively analyse the case studies in the exam.

To assist in your exam preparation, in addition to working through your study material, we strongly recommend that you also refer to:

- Case analysis guidelines which provide a step-by-step outline of how to analyse a case as well as an example of how to use these guidelines on a small case. This case analysis is available via My Online Learning.
- There are also existing practice case studies, *Chasseur Chickens* and *Notting Foods*, available on [My Online Learning](#), which both demonstrate a detailed case analysis.

Use these resources to understand how to effectively analyse a case study so that you are prepared to apply a best practice approach when your pre-seen exam case studies are available.

[Read more about this change.](#)

SUBJECT AIMS

The subject has two key aims:

1. The primary aim of this subject is to provide you with an understanding of the concepts and principles that underpin the practices of strategy and leadership in the global economy, and the ability to apply these concepts to real-life business cases.
2. The secondary aim of the subject is to consolidate the knowledge you have gained from your study of the other three compulsory subjects, Ethics and Governance, Financial Reporting and Strategic Management Accounting.

GENERAL OBJECTIVES

On completion of this subject, you should be able to:

- understand the role of the accountant in the development and implementation of strategy
- use analytical tools and models to analyse the industry and the market in which an organisation operates
- use analytical tools and models to understand and measure the performance of the organisation
- use business information for decision-making from an organisational perspective
- identify and explain the key challenges faced in the implementation of strategy and the role of the accountant in the implementation and leadership functions
- consolidate the understanding of strategy and leadership concepts through the use of real-world examples integrated throughout the material, and apply these concepts to business case scenarios through the use of a case studies
- apply skills in thinking strategically and formulating broad strategies for consideration and application in their organisational environment

SUBJECT CONTENT

The 'weighting' column in the following table provides an indication of the emphasis placed on each module in the exam, while the 'proportion of study time' column is a guide for you to allocate your study time for each module and analysis of the pre-seen exam case studies.

Module	Recommended proportion of study time (%)	Weighting (%)
1. An introduction to strategy and leadership	5	5
2. Understanding the external environment	18	18
3. Understanding the internal environment	18	18
4. Product and market development	14	14
5. Developing the strategic plan	17	17
6. Strategy implementation	15	15
7. Leading the strategy	13	13

The subject is divided into seven modules. A brief outline of each module is provided below.

Module 1: An introduction to strategy and leadership

Module 1 provides an overall introduction to the key concepts of strategy and leadership in the global context. It illustrates the need for improved capabilities in both areas because of the rapidly changing and uncertain business environment.

The role of accountants in such a changing environment becomes even more crucial. Accounting is a dynamic role in the modern business environment and, as such, accountants are contributing increasingly to the high-level, decision-making process within organisations.

The need to craft and implement a strategy in order to translate a vision into reality is described as a key leadership function. The module provides an overview of various theories and perspectives that inform the practices of strategy and leadership. Further, the module helps candidates understand the basic concepts and principles that are elaborated upon in the later modules.

Contents:

- Introducing strategy and leadership
- Approaches to strategy
- Strategy process
- Strategic thinking
- Levels of strategy
- The global context of business
- The role of the accountant in strategy development

Module 2: Understanding the external environment

In this module we begin the strategic analysis component of this subject. Having discussed the concept of strategy in Module 1, Modules 2 and 3 undertake the analysis component of strategy, focusing on business strategy. These modules focus on approaches used in undertaking strategic analysis of the external industry and internal business environments. Module 2 in particular provides tools for strategic analysis of the external operating environment of the organisation.

Module 2 also provides a framework for analysing the external environment, with the focus on an organisation's specific industry and markets. This involves evaluating economic, political, technological and other trends to provide an estimate of the level of future industry growth. The industry analysis helps to examine the forces determining industry profitability and concludes with market, competitor and customer analysis. In the era of 'big data', the analysis of the increasing amount of data available about the external environment is an important role for CPAs.

Contents:

- Understanding the external environment
- Remote and industry environment analysis
- Understanding customers and markets
- The basis of competition

Module 3: Understanding the internal environment

In this module, the focus is on the internal environment – those factors within the organisation that may affect its strategy choice in the future and the implementation of that strategic option. That is, factors within the organisation's control.

Assessing the internal environment is critical in understanding whether the organisation is successful. It also helps to assess whether its strategy is appropriate in the context of not only the external environment, but also of internal factors, such as key stakeholder requirements, organisational performance and the organisation's capabilities. CPAs play an important role in measuring and reporting on the organisation's performance and capabilities.

Contents:

- The operating model
- Understanding key stakeholders
- Assessing current performance
- Strategic drivers
- Operational drivers
- People and organisational drivers
- Big data – deeper and faster analysis
- Qualitative analysis
- Summarising overall performance
- Where can we go in the future?

Module 4: Product and market development

With our strategic analysis complete, we turn our attention in this module to using this information to identify strategic options for growth. In this module, we begin to combine the results of the external and internal analysis (discussed in Modules 2 and 3). There are a number of factors that must be considered by an organisation before determining which, if any, growth strategy to pursue.

In considering the concepts of product and market development as tools for organisational growth, we also discuss a number of the resources available to inform strategic choices, and the specific accounting impacts that may affect an organisation when it decides to enter a new market or undertake a significant new product development. The consideration of accounting impacts is a key factor in assessing organisational capability, particularly in terms of cost and resourcing implications of any desired changes, and while some of the issues discussed may appear more operational than strategic in nature they are a vital part of an organisation's capabilities and are thus key in achieving successful implementation of strategy.

Contents:

- Product and market options
- New product development
- New market development
- Development of new geographic markets
- Common modes of entry into geographic markets
- Accounting issues in global strategy

Module 5: Developing the strategic plan

In this module, we discuss approaches to evaluating strategic drivers, themes and options so that an organisation can decide which option or options to implement. The approaches used draw together information and analysis from Modules 2, 3 and 4 so recommendations can be made in the context of an organisation's strategy for options being evaluated.

What is presented in this module is a rational approach to making strategic choices; however, in practice this is not always the case, and so the final section of this module looks at why decision-making does sometimes vary from the rational approach.

Contents:

- Vision
- Mission
- Values
- Goals
- Developing the strategic options
- Risk assessment
- Developing strategic themes
- Evaluating strategic themes using Rumelt's criteria
- Finalising the strategic plan

Module 6: Strategy implementation

Once the strategic plan has been prepared, the focus shifts to the challenging task of implementation. Here leaders and managers must endeavour to translate the talk of strategy into action in the business and manage the change that goes with the implementation of the strategic plan.

Module 6 focuses on the culmination of the strategic process – implementation. This module covers four major aspects of strategy implementation and change management:

1. How to implement strategy
2. The challenges of implementing strategy
3. Using change management to implement strategy
4. The role of CPAs in strategy implementation

Contents:

- An overview of strategy implementation
- The 7-S framework
- Successful strategy implementation
- Monitoring implementation and performance
- The challenges of implementing strategy
- The role of CPAs in strategic implementation
- Future challenges

Module 7: Leading the strategy

Module 7 focuses on the concepts of leadership and decision-making. To successfully implement strategy, the organisation needs to fulfil both leadership and management roles, and the different aspects of each role need to be addressed.

Module 7 examines the role of leadership in each stage of the strategic process – from internal and external analysis to strategy implementation – and how the leaders' different leadership styles and decision-making approaches can affect this process. CPAs play an important role in supporting leaders and managers in both internal and analysis and in their own right as leaders.

The importance of leadership in the implementation of strategy is also examined and the module considers how an important aspect of the role of a leader is to empower and develop future leaders.

The module ends with a discussion of the ethical considerations that affect leaders, particularly the ways in which leaders are seen as role models in the organisation.

Contents:

- Leadership and ethics
- What is leadership?
- Identifying leadership attributes
- Transformational leadership
- Strategic leadership
- The nature of strategic leadership
- The role of leaders in strategic thinking and decision-making
- The role of leaders in strategic analysis
- The role of leaders in setting direction
- The role of leaders in strategy formulation and selection
- The role of leaders in implementing strategy