

5. Detailed study guide

A Leadership

1. Qualities of leadership

- a) Explain the role of effective leadership and identify the key leadership traits effective in the successful formulation and implementation of strategy and change management.^[3]
- b) Apply the concepts of entrepreneurship and 'intrapreneurship' to exploit strategic opportunities and to innovate successfully.^[3]
- c) Apply, in the context of organisation governance and leadership qualities, the key ethical and professional values underpinning governance.^[3]

2. Leadership and organisational culture

- a) Discuss the importance of leadership in defining and managing organisational culture.^[3]
- b) Advise on the style of leadership appropriate to manage strategic change.^[2]
- c) Analyse the culture of an organisation, to recommend suitable changes, using appropriate models such as the cultural web.^[3]
- d) Assess the impact of culture on organisational purpose and strategy.^[3]

3. Professionalism, ethical codes and the public interest

- a) Critically evaluate the concept of responsible leadership and the creation of public value by acting in the public interest.^[3]
- b) Assess management behaviour against the codes of ethics relevant to accounting professionals including the IESBA (IFAC) or professional body codes.^[3]

- c) Analyse the reasons for conflicts of interest and ethical conflicts in organisations and recommend resolutions.^[3]
- d) Assess the nature and impact of different ethical threats and recommend appropriate safeguards to prevent or mitigate such threats.^[3]
- e) Recommend best practice for reducing and combating fraud, bribery and corruption to increase public confidence and trust in organisations.^[3]

B Governance

1. Agency

- a) Discuss the nature of the principal-agent relationship in the context of governance.^[3]
- b) Analyse the issues connected with the separation of ownership of an organisation from control over its activities.^[3]

2. Stakeholder analysis and social responsibility

- a) Discuss, and critically assess, the concept of stakeholder power and interest using the Mendelow model and apply this to strategy and governance.^[3]
- b) Evaluate the stakeholders' roles, claims and interests in an organisation and how they may conflict and be resolved.^[3]
- c) Explain social responsibility and viewing the organisation as a 'corporate citizen' in the context of governance and sustainability.^[2]

3. Governance scope and approaches

- a) Analyse and discuss the role and influence of institutional investors in governance systems and structures.^[2]

- b) Compare rules versus principles-based approaches to governance and advise when they may each be appropriate.^[3]
- c) Discuss different models of organisational ownership that influence different governance regimes (family firms versus joint stock company-based models) and explain how they work in practice.^[2]
- d) Apply the general principles of the International Corporate Governance Network (ICGN)'s Global Governance Principles to organisations' corporate governance.^[2]

4. Reporting to stakeholders

- a) Discuss the factors that determine organisational policies on reporting to stakeholders, including stakeholder power and interests.^[3]
- b) Assess the role and value of integrated reporting <IR> and evaluate the issues concerning accounting for sustainability.^[2]
- c) Advise on the guiding principles, the typical content elements and the six capitals of an integrated report <IR>, and discuss the usefulness of this information to stakeholders.^[3]
- d) Describe and assess the social and environmental impacts that economic activity can have (in terms of social and environmental 'footprints' and environmental reporting).^[3]
- e) Describe the main features of internal management systems for underpinning environmental and sustainability accounting such as EMAS and ISO 14000.^[2]
- f) Examine how the audit of integrated reports <IR> can provide adequate assurance of the relevance and reliability of <IR> to stakeholders.^[2]

5. The board of directors

- a) Assess the duties and roles of directors and functions of the board (including setting a responsible 'tone' from the top and being accountable for the performance and impact of the organisation).^[3]
- b) Evaluate the case for and against unitary and two-tier board structures.^[3]
- c) Describe and assess the purposes, responsibilities and performance of Non-Executive Directors (NEDs).^[3]
- d) Describe and assess the importance of induction, performance appraisal and the continuing professional development of directors on the board.^[3]
- e) Explain the meaning of 'diversity' and critically evaluate issues relating to diversity on the board of directors.^[3]
- f) Assess the importance, roles, purposes and accountabilities of the main board committees in respect of effective governance.^[3]
- g) Describe and assess the general principles of remunerating directors and modifying directors' behaviour to align with stakeholder interests.^[3]
- h) Explain and analyse the regulatory, strategic and labour market issues associated with determining directors' remuneration.^[3]

6. Public sector governance

- a) Discuss public sector, private sector, charitable status and non-governmental (NGO and quasi-NGOs) forms of organisation, including agency relationships, stakeholders' objectives and performance criteria.^[2]
- b) Assess and evaluate the strategic objectives, leadership and governance arrangements that are specific to public sector organisations as contrasted with the private sector.^[3]

- c) Explain democratic control, political influence and policy implementation in public sector organisations.^[3]
- d) Discuss obligations of public sector organisations to meet the economy, effectiveness and efficiency (the 3 E's) criteria and promote public value.^[3]

C Strategy

1. Concepts of strategy

- a) Explain the fundamental importance of strategy and strategic decisions within different organisational contexts.^[2]
- b) Apply the Johnson, Scholes and Whittington model of strategic management –strategic analysis, strategic choices and strategic implementation.^[3]

2. Environmental issues

- a) Assess the macro-environment of an organisation using appropriate models such as PESTEL.^[3]
- b) Assess the implications of strategic drift.^[3]
- c) Evaluate the external key drivers of change likely to affect the structure of a sector or market.^[3]
- d) Apply Porter's Diamond to explore the influence of national competitiveness on the strategic position of an organisation.^[3]
- e) Assess scenarios reflecting different assumptions about the future environment of an organisation.^[3]

3. Competitive forces

- a) Evaluate the sources of competition in an industry or sector using Porter's Five Forces framework.^[3]
- b) Analyse customers and markets including market segmentation.^[2]

- c) Apply Porter's value chain to assist organisations to identify value adding activities in order to create and sustain competitive advantage.^[2]
- d) Advise on the role and influence of value networks.^[3]
- e) Evaluate the opportunities and threats posed by the competitive environment of an organisation.^[2]

4. The internal resources, capabilities and competences of an organisation

- a) Identify and evaluate an organisation's strategic capability, its threshold resources, threshold competences, unique resources and core competences.^[3]
- b) Discuss the capabilities required to sustain competitive advantage.^[2]
- c) Discuss the contribution of organisational knowledge to the strategic capability of an organisation.^[2]
- d) Identify and evaluate the strengths and weaknesses of an organisation and formulate an appropriate SWOT analysis.^[2]

5. Strategic choices

- a) Assess and advise on the different strategic options available to an organisation.^[3]
- b) Assess the opportunities and potential problems of pursuing different strategies of product/market diversification from a national, multinational and global perspective.^[3]
- c) Advise on how the 7 P's, price-based strategies, differentiation and lock-in can help an organisation sustain its competitive advantage.^[3]
- d) Apply the Boston Consulting Group (BCG) and public sector portfolio matrix models to assist organisations in managing their portfolios.^[3]

- e) Recommend generic development directions using the Ansoff growth vector matrix.^[2]
- f) Assess how internal development, business combinations, strategic alliances and partnering can be used to achieve business growth.^[3]
- b) Evaluate a risk register and use heat maps when identifying or monitoring risk.^[3]
- c) Evaluate the concept of embedding risk in an organisation's culture and values.^[3]
- d) Explain and analyse the concepts of spreading and diversifying risk and when this would be appropriate.^[2]

D Risk

1. Identification, assessment and measurement of risk

- a) Discuss the relationship between organisational strategy and risk management strategy.^[3]
- b) Apply the enterprise risk management (ERM) approach to risk management and for establishing risk management systems.^[2]
- c) Identify and evaluate key risks, including environmental and climate related risks, and their impact on organisations and projects.^[3]
- d) Distinguish between strategic and operational risks.^[2]
- e) Assess attitudes towards risk and risk appetite and how this can affect risk policy.^[2]
- f) Discuss the dynamic nature of risk and the ways in which risk varies in relation to the size, structure, industry, sector and development of an organisation.^[2]
- g) Assess the severity and probability of risk events.^[2]
- i) Explain and evaluate the concepts of related and correlated risk factors.^[3]
- e) Advise on risk management strategies, including the use of the TARA model.^[3]
- f) Explain and assess the benefits of incurring or accepting some risk as part of competitively managing an organisation referring to the 'as low as reasonably practical' (ALARP) principle.^[3]
- g) Apply the concept of assurance mapping to modern risk management using the 'four lines of defence' ^[3]

E Technology and data analytics

1. Cloud, mobile and smart technology

- a) Discuss, from a strategic perspective, the need to explore opportunities for adopting new technologies such as cloud, mobile and smart technology within an organisation.^[3]
- b) Discuss key benefits and risks of cloud, mobile and smart technology.^[2]
- c) Assess and advise on using the cloud as an alternative to owned hardware and software technology to support organisation information system needs.^[3]

2. Big data and data analytics

- a) Discuss how information technology and data analysis can effectively be used to inform and implement organisational strategy.^[3]
- b) Describe big data and discuss the opportunities and threats big data presents to organisations.^[2]

- c) Identify and analyse relevant data for strategic decisions on new product developments, marketing and pricing.^[3]

3. Machine learning, AI and robotics

- a) Explain the potential benefits of using artificial intelligence (AI), robotics and other forms of machine learning to support strategic decisions and the pursuit of corporate objectives.^[2]
- b) Assess the risk, control and ethical implications of using AI, robotics and other forms of machine learning.^[3]

4. E- business: value chain

- a) Assess the organisation's approach to delivering e-business.^[3]
- b) Assess and advise on the potential application of information technology to support e- business.^[3]
- c) Explore the characteristics of e-marketing using the 6 I's of interactivity, intelligence, individualisation, integration, industry structure and independence of location.^[2]
- d) Assess the importance of online branding in e-marketing and compare it with traditional branding.^[2]
- e) Explore different methods of acquiring and managing suppliers and customers through exploiting e-business technologies.^[2]

5. IT systems security and control

- a) Discuss, from a strategic perspective, the continuing need for effective information systems control within an organisation.^[3]
- b) Assess and advise on the adequacy of information technology and systems security controls for an organisation.^[3]
- c) Evaluate and recommend ways to promote cyber security.^[3]

- d) Evaluate and recommend improvements or changes to controls over the safeguard of information technology assets, to ensure the organisation meets its business objectives.^[3]

F Organisational control and audit

1. Management and internal control systems

- a) Evaluate the key features of effective internal control systems such as those included in the COSO framework.^[3]
- b) Assess whether information flows to management are adequate for the purpose of managing internal control and risk.^[3]
- c) Evaluate the effectiveness and potential weaknesses of internal control systems.^[3]
- d) Discuss and advise on the importance of sound internal control and legal and regulatory compliance and the consequences to an organisation of poor control and non-compliance.^[2]
- e) Recommend new internal control systems or changes to the components of existing systems to help prevent fraud, error, waste or harmful environmental impacts.^[2]

2. Audit and compliance

- a) Examine the need for an internal audit function in the light of regulatory and organisational requirements.^[3]
- b) Justify the importance of auditor independence in all client-auditor situations (including internal audit) and the role of internal audit in compliance.^[3]
- c) Justify the importance of having an effective internal audit committee overseeing the internal audit function.^[2]
- d) Assess the appropriate responses to auditors' recommendations.^[3]

3. Internal control and management reporting

- a) Justify the need for reports on internal controls to shareholders.^[3]
- b) Discuss the typical contents of a report on internal control and internal audit including environmental and sustainability audits.^[2]
- c) Assess how internal controls underpin and provide information for reliable financial and sustainable reporting.^[3]

G Finance in planning and decision-making

1. Finance transformation

- a) Discuss how advances in technology are transforming the finance sector and the role and structure of the finance function within organisations.^[2]
- b) Evaluate alternative structures for the finance function using business partnering, outsourcing and shared or global business services.^[3]

2. Financial analysis and decision-making techniques

- a) Determine the overall investment requirements of the organisation.^[2]
- b) Assess and advise on alternative sources of short and long-term finance available to the organisation to support strategy and operations.^[3]
- c) Review and justify decisions to select or abandon competing investments. applying suitable investment appraisal techniques.^[3]
- d) Justify strategic and operational decisions taking into account risk and uncertainty.^[3]
- e) Assess the broad financial reporting and tax implications of taking alternative strategic or investment decisions.^[2]

- f) Assess organisational performance and position using appropriate performance management techniques, key performance indicators (KPIs) and ratios.^[3]

3. Cost and management accounting

- a) Discuss, from a strategic perspective, the continuing need for effective cost management and control systems within organisations.^[3]
- b) Evaluate methods of forecasting, budgeting, standard costing and variance analysis in support of strategic planning and decision making.^[3]

H Enabling success and change management

1. Enabling success: organising

- a) Advise on how organisational structure and internal relationships can be re-organised to deliver a selected strategy.^[3]
- b) Advise on the implications of collaborative working and partnering, including franchising, process outsourcing, shared services and global business services.^[3]

2. Enabling success: disruptive technology

- a) Identify and assess the potential impact of disruptive technologies such as Fintech, including cryptocurrencies.^[3]
- b) Assess the impact of new products, processes, service developments and innovation in supporting organisation strategy.^[2]

3. Enabling success: talent management

- a) Discuss how talent management can contribute to supporting organisational strategy.^[3]

- b) Analyse opportunities for organisational improvement using the four view POPIT (people, organisation, processes and information technology) model.^[3]

4. Enabling success: performance excellence

- a) Apply the Baldrige model for world class organisations to achieve and maintain business performance excellence.^[3]
- b) Assess and advise on how an organisation can be empowered to reach its strategic goals, improve its results and be more competitive, focusing on its critical success factors (CSF).^[3]

5. Managing strategic change

- a) Evaluate the effectiveness of current organisational processes.^[3]
- b) Evaluate different types of strategic change and assess their implications.^[2]
- c) Establish an appropriate scope and focus for organisational process change using Harmon's process-strategy matrix.^[3]
- d) Assess and advise on possible redesign options for improving the current processes of an organisation.^[3]
- e) Recommend a process redesign methodology for an organisation.^[2]
- f) Manage change in the organisation using models such as Lewin's three stage model.^[2]
- g) Assess implications of change in an organisation using Balogun and Hope Hailey's contextual features.^[3]

6. Leading and managing projects

- a) Determine the distinguishing features of projects and the constraints they operate in.^[2]
- b) Discuss the implications of the triple constraints of scope, time and cost.^[2]

- c) Prepare a business case document and project initiation document.^[2]

- d) Analyse, assess and classify the costs and benefits of a project investment.^[3]

- e) Establish the role and responsibilities of the project manager and the project sponsor.^[2]

- f) Assess the importance of developing a project plan and its key elements.^[3]

- g) Monitor and control project risks and slippages, recommending improvements.^[2]

- h) Discuss the benefits of a post-implementation and a post-project review.^[2]

I Professional skills

1. Communication

- a) **Inform** concisely, objectively, and unambiguously, while being sensitive to cultural differences, using appropriate media and technology.^[3]
- b) **Persuade** using compelling and logical arguments demonstrating the ability to counter argue when appropriate.^[3]
- c) **Clarify** and simplify complex issues to convey relevant information in a way that adopts an appropriate tone and is easily understood by the intended audience.^[3]

2. Commercial acumen

- a) **Demonstrate awareness** of organisational and wider external factors affecting the work of an individual or a team in contributing to the wider organisational objectives.^[3]
- b) **Use judgement** to identify key issues in determining how to address or resolve problems and in proposing and recommending the solutions to be implemented.^[3]

- c) **Show insight** and perception in understanding work-related and organisational issues, including the management of conflict, demonstrating acumen in arriving at appropriate solutions or outcomes.^[3]

3. Analysis

- a) **Investigate** relevant information from a wide range of sources, using a variety of analytical techniques to establish the reasons and causes of problems, or to identify opportunities or solutions.^[3]
- b) **Enquire** of individuals or analyse appropriate data sources to obtain suitable evidence to corroborate or dispute existing beliefs or opinion and come to appropriate conclusions.^[3]
- c) **Consider** information, evidence and findings carefully, reflecting on their implications and how they can be used in the interests of the department and wider organisational goals.^[3]

4. Scepticism

- a) **Probe** deeply into the underlying reasons for issues and problems, beyond what is immediately apparent from the usual sources and opinions available.^[3]
- b) **Question** facts, opinions and assertions, by seeking justifications and obtaining sufficient evidence for their support and acceptance.^[3]
- c) **Challenge** information presented or decisions made, where this is clearly justified, in a professional and courteous manner; in the wider professional, ethical, organisational, or public interest.^[3]

5. Evaluation

- a) **Assess** and use professional judgement when considering organisational issues, problems or when making decisions; taking into account the implications of such decisions on the organisation and those affected.^[3]
- b) **Estimate** trends or make reasoned forecasts of the implications of external and internal factors on the organisation, or of the outcomes of decisions available to the organisation.^[3]
- c) **Appraise** facts, opinions and findings objectively, with a view to balancing the costs, risks, benefits and opportunities, before making or recommending solutions or decisions.^[3]

J Other employability and digital skills

1. **Use computer technology to efficiently access and manipulate relevant information.**
2. **Work on relevant response options, using available functions and technology, as would be required in the workplace.**
3. **Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.**
4. **Present data and information effectively, using the appropriate tools.**