

Strategy Class: 175 Questions

Idea In Short

Master strategy by answering questions, not memorizing frameworks. The ability to explain a concept simply and answer the follow-up question 'so what' is the true test of understanding.

The Power of Questions in Strategy Education

As the semester nears its end, students have learned an enormous amount. The journey is full of questions, curiosity, discussion and debate. The classroom is a safe place to learn. What follows is a collection of over 175 questions that Bachelor of Business Administration (BBA) students should feel comfortable answering about strategy. More importantly, they should be able to explain each answer simply and respond to the follow-up question: so what?

The so what question is the real test. Anyone can define a term. A strategist explains why it matters and what decision it informs. This question set spans value creation, industry structure, financial ratios, game theory, innovation, corporate strategy and digital transformation. Each cluster builds on the others, creating an integrated view of how businesses compete and win.

Creating and Capturing Value

The foundation of strategy is understanding value. What is the difference between willingness-to-pay and price, and why does it matter? What are the two competing interpretations of Honda's early success in the United States? What are the two ways of increasing profitability? If you have lots of fixed costs, what is the key to increasing profits in the short term? These questions force students to connect economics to strategy.

Henry Mintzberg, author of *Managers Not MBA*, offers a distinctive point of view on management education. What is the difference between a learning curve and an experience

curve, and so what? The distinction matters because learning curves track cost reductions within a single firm, while experience curves track industry-wide cost declines. This nuance shapes competitive positioning and pricing strategy.

Economics and Strategy

Economics underpins every strategic decision. What is the difference between a shift in demand and quantity demanded at a given price? What influences willingness-to-pay, and why do marketers care? Can you explain price elasticity of demand to your cousin? What is the difference between fixed and marginal costs, and why does that matter? These questions connect microeconomic theory to business reality.

The questions get sharper. Which company brought the mobile internet to 300 million people in the last five years? Why would an expensive restaurant stay open even though it is only one-third full? Why do marginal costs typically spike with more production? Why might an oil company drill at 60 dollars per barrel when average total cost is 70 dollars? In the short run, higher demand usually comes in higher prices, not greater supply. These are not academic exercises. They are the daily decisions that determine profitability.

Industry Structure and Competitive Forces

Does profitability vary much by industry, and why? What does it mean that a strategist's job is to cope with competition? When thinking about competition, who is included beyond just rivals? Porter's Five Forces framework remains a starting point for analyzing industry structure. What are three or four limitations of this famous framework? What are five or six elements that would discourage new entrants? 1

Warren Buffett talks about economic moats. What does he mean? What circumstances give suppliers bargaining power? How can buyers threaten your potential profitability? According to Porter, what are the three generic strategic positions? Why are substitutes so difficult to anticipate? Can more than one company succeed within the same industry, and how? These questions push students to think structurally about competitive dynamics.

Financial Ratios and Analysis

There are hundreds of financial ratios. How do you mentally organize them? What are

potential pitfalls when comparing ratios of different companies? What is return on equity (ROE), and why does it matter? Is a high ROE always a good thing? Why does the DuPont method break ROE into components? What is the difference between liquidity and solvency ratios? How are financial ratios like vital signs for a company?

The questions extend to operational analysis. What is the difference between lagging and leading indicators? How could unscrupulous managers manipulate earnings? What financial and operational ratios matter for the airline industry? Two shoe companies have the same net margin, but one has cost of goods sold at 60 percent and the other at 30 percent. What does that say about their products, marketing and strategy? These questions bridge finance and strategy.

What Is Strategy

Why is operational efficiency different from strategy? Why do so many executives and consultants love best practices? What is the limitation with best practices, and so what? How would you explain strategy to your cousin? What is the productivity frontier, and what is the main point? Southwest Airlines built a virtuous cycle of activities. What happened when other airlines tried to copy it? Why do companies fail to choose or stick with a strategy?

The Resource-Based View (RBV) asks what makes a resource strategically valuable. What are the five characteristics? What is the implication of RBV for strategists? What strategic analysis pairs well with it? What are the strategically valuable resources of Amazon, Walmart and Uber? These questions connect internal capabilities to external positioning. 2

Blue Ocean, Innovation and Game Theory

Blue Ocean Strategy asks how companies create uncontested market space. What are the prerequisites? Can incumbents create blue oceans? Does a blue ocean require technology? Warby Parker disrupted eyewear by challenging Luxottica's dominance. Why did a similar startup not appear sooner? What strategic moves did Warby Parker use? These questions explore how companies escape red ocean competition. 3

Innovation questions explore sustaining versus disruptive change. Is Uber disruptive innovation? Why is disruptive innovation difficult for incumbents? What is the technology

adoption lifecycle? How do you cross the chasm according to Geoffrey Moore? Game theory questions cover the prisoner's dilemma, Nash Equilibrium and dominant strategies. How does understanding your rival's economics inform your decisions? What are five ways to gather competitive intelligence?

Corporate Strategy and Organizational Design

Corporate strategy asks where to compete, not just how. How does diversification potentially destroy value? What are the three tests of diversification? Why do so many mergers and acquisitions fail to add value? Can mergers and acquisitions be a core competency? Organizational design questions explore why structure matters. Why did Procter and Gamble organize the United States and Europe differently in the 1950s? What is a decision-driven organization?

The question set extends to digital transformation, network effects, subscription services and digital payments. How would you describe Goldman Sachs' 150-year history? What is the difference between AdWords and AdSense? What are network effects, and how do they differ from virality? What metrics matter for subscription businesses? These questions ensure students can navigate the modern strategic landscape with both classical frameworks and contemporary examples.

- 1Porter's Five Forces on Wikipedia
- 2Resource-Based View theory overview
- 3Blue Ocean Strategy overview

Summary

Strategy is not about knowing the right answer. It is about asking the right questions and explaining your reasoning simply. Use these questions as a self-assessment tool and keep refining your understanding.