



Aalto University

CIV-E2070

Strategic Management in Construction

Introduction to the course

25th April 2024

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Position of the course in student path

The course is part of Advanced studies in Building Technology Master's program

Preliminary knowledge:

- **CIV-E1040 Construction Management**
- **CIV-E2050 Operations Management in Construction**

The course provides knowledge for other construction management courses:

- **CIV-E5050 Design Process Management (period II)**
- **CIV-E5000 Special Assignment in Building Technology (any period)**

Learning outcomes

The course prepares student for thinking about strategic choices and development in construction industry, both at the company and business unit levels:

- **Identify main content and sectors of strategic management**
- **Understand the role of strategic management for business performance**
- **Describe different strategic options related to production, finance, and resource management in AEC sector**
- **Be able to formulate a business model and business plan for a business unit in AEC sector**
- **Be able to analyze firms and their internal and external conditions for competition in AEC business**
- **Justify, report and present strategic proposals**

Activation

- Go to Presemo <https://presemo.aalto.fi/sm21>
1. Answer the question on: What was your main reason to participate the course?
 2. Pair / small group discussion: introduce yourself in the group, and discuss on what expectations you have on the course?
 - Post your group's expectations on Presemo

Content, teaching sessions & schedule

- Five theory lectures in classroom R2 (Rakentajanaukio 4) – supported by video podcasts from earlier years
- Three mandatory company guest lectures (can be replaced by extra assignments)

Sessions:

25.4.2024	9:15-9:35 AM: Introduction to the course
	9:35-10:45 AM: Introduction to strategic management and strategy in construction
2.5.2024	9:15-10:45 AM: Strategic management in practice, business models
7.5.2024	9:15-10:45 AM: Production strategies and concepts
	10:45-11:45 AM: T2H Director Jussi Viita, guest lecture
16.5.2024	9:15-10:45 AM: Finance and financial analysis in construction
	10:45-11:45 AM: A-Insinöörin CEO Kari Kauniskangas guest lecture
23.5.2024	9:15-10:45 AM: International construction business
	10:45-11:45 AM: Skanska SVP Jan Elfving guest lecture
30.5.2024	9:15-11:45 AM: Student group presentations on Financial and strategy analysis of a public company

Assignments:

- Five weekly lecture topic assignments - individual
- Financial and strategy analysis of a public construction company – group assignment (3-4 in group)
- Start-up business plan for construction sector – group assignment (2-3 in group)

Assessment methods and criteria

- **Weekly lecture topic assignments: 50 %**
- **Financial and strategy analysis of a public company: 25 %**
 - Presentation in seminar included
- **Start-up business plan for construction sector: 25 %**
 - Presentation to teacher included
- **Attendance in the three company lectures is mandatory**
 - Organized 7.5 at 10.45-11.45 (T2H), 16.5 at 10.45-11.45 (A-Insinöörit) and 23.5 at 10.45-11.45 (Skanska)
 - Can be replaced by an extra assignment
- **Course evaluation survey needs to be fulfilled**
- **Scale 0-5**
 - Around 40 % of maximum points needed for grade 1

Financial and strategy analysis of a public company - assignment

- **Work in a group of 3-4 students**
 - Select your group and company in the student groups page in My Courses no later than 2nd May
 - Companies: YIT, SRV, LapWall, Consti, Kreate, Sitowise, Citycon, Kojamo, Investors House (material in My Courses)
- **Your tasks is to analyze the success of the company's strategy in 2023 from finance perspective**
 - Make analysis about financial performance and synthesis about reasons for it
 - Evaluate the strategy behind the performance and make suggestions for next 2 years
- **Group will produce a report and presentation**
 - Pdf-report (around 5-8 pages) of the analysis; should be sent no later than 29th May
 - Every group will present the synthesis and suggestions in the seminar 30th May: 5-7 min per group

Some guiding questions for the financial and strategy analysis

- **Make analysis about financial performance and synthesis about reasons for it**
 - How good was year 2023? What was good, what not so good? How performance changed from previous years?
 - How company reported reasons for performance in 2023? How does your group see the reasons behind the performance?
 - How much performance was a result of the company's own actions and decisions, and how much affected by unexpected external factors?
- **Evaluate the strategy behind the performance and make suggestions next 2 years**
 - Which strategic decisions during and before 2023 were good and which not so good?
 - How you see the success of the strategy? Could you evaluate the company's strategy based on its performance?
 - What immediate actions the company did or is doing? What developments you suggest for the company's strategy and why?

Start-up business plan for construction sector - assignment

- **Form a group of 2-3 students**
 - Inform your group in the student groups page in My Courses no later than 8th May
- **Your task is to innovate a start-up company for AEC sector and prepare a strategic business plan for it for years 2024-2026**
 - Be innovative and justify each selection and need for the company
 - If relevant, use business model frameworks, strategic schools etc. to describe the company and its offering
 - Describe the implementation path of the strategic business plan
- **Every group presents the business plan for the responsible teacher**
 - PP presentation in Teams/Zoom (or similar), max 20 minutes and about 10-15 slides
 - Book time by email for presentation session between 27.5-7.6 or 17-20.6 according to the group's progress and schedule

Some possible business areas of a start-up company

- Design and consulting services in construction industry
- Construction management services
- Contractors, sub-contractors, service suppliers
- Building system and product manufacturers and suppliers
- Logistic services in construction industry
- Life cycle services, including use and maintenance services
- Property development and owner companies
- IT companies...
- Service providers...
- etc.
- ...

Course material

- **Lecture presentations (pdfs + old video podcasts)**
- **Weekly reading materials**
- **Material about strategic schools**
- **Companies' financial statements**

- **Other useful material:**
 - Mika Kamensky (2010) Strateginen johtaminen – menestyksen timantti. Talentum.

Course workload

Workload in total 101 hours:

- **Lectures: 25 h**
- **Weekly lecture assignments: 25 h (5x5 h)**
- **Financial analysis - assignment: 25 h**
- **Strategic business plan – assignment: 25 h**
- **Course feedback: 1 h**

Weekly lecture topic assignment I - Introduction to Strategic Management

Watch the video “Mastering the Art of Strategy with Richard Rumelt”

<https://www.youtube.com/watch?v=qvqtCMIZiY8>

Based on the video, write about 500-word reflection about:

- What are the key principles of a good strategy?
- Describe also how these principles could be applied in company in the AEC sector.

Send your reflection through MyCourses by the next lecture 2nd May

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