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Strategic Management as a Key to Educating the New Aviation Professional

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Abstract

Differences and similarities between management and strategic management are discussed in this article and a framework for the aviation strategic management process is proposed. The steps of the aviation strategic management process include 1) scanning the aviation environment, 2) analyzing the aviation organization, 3) formulating the corporate strategy, 4) formulating the business strategy, and 5) implementing the corporate and business strategies through the formulation of functional strategies. The article argues that knowledge of strategic management principles along the abovementioned process can help aviation organizations, just like organizations in other industries, achieve high strategic and financial performance and develop a clear understanding of industry competitive dynamics. Aviation Strategic Management as a course of study can significantly enrich the educational experience of students in aviation programs and mold them into competent aviation professionals as it provides an effective way to synthesize technical information and apply this information on everyday industry issues. We propose that strategic management can and should be an inextricable piece in aviation curricula, both at the graduate and undergraduate levels and can be used as an excellent theoretical foundation for aviation capstone courses.

KEYWORDS: management, strategic management, aviation, aviation professional

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Introduction

In their 2005 *Collegiate Aviation Review* article, Phillips and Kaps have discussed the meaning of *aviation* and *management* and offered a definition of *aviation management*. The aim of our article is to build on the dialog initiated by these authors and apply strategic management concepts to aviation. The review of the terms *aviation* and *management* as well as the definition of *aviation management* proposed by Phillips and Kaps (2005) will be the starting point of this article in which an aviation strategic management framework will be proposed.

The examination of the various definitions of *management* in basic management textbooks such as Daft and Marcic (2004) and DuBrin and Ireland (1993) have caused Phillips and Kaps (2005) to conclude that management is a process composed of the following stages: planning, leading, organizing, and controlling. The aforementioned stages of the management process are encompassed in Phillips and Kaps' proposed definition of *aviation management*, namely "the study and practice of general business processes used to achieve targeted objectives in the aviation industry" (2005, p.68). This broad definition is very much in keeping with the current supply chain management trend in business thinking. Companies are not longer considered in a vacuum but as a part of a closely knitted system of buyers and suppliers.

As a result, the performance of a given company within this system does not solely depend on how well it conducts its own business; it is also determined by the performance of its supplier and its clients. The assembly operations of an aircraft manufacturer having received a defective batch from its supplier of rivets will most certainly suffer. Similarly, the efficiency of a plastic parts company will be reduced if the helicopter subassemblies maker that it supplies is not very good at production planning and often ask for changes in batch size and delivery dates. A high performance aviation supply chain starts with sound aircraft design and ends with happy travelers arriving on time and without incident at their final destination. This gives a measure of how the multiple and combined efforts of all actors along the aviation supply chain need to be managed, or more specifically, planned, lead, organized, and controlled.

So, where does strategy stands? What is it? Is strategy one of the abovementioned "general business processes"? Furthermore, is there a conceptual difference between management and strategic management? We will address these questions in our effort to exemplify our argument that knowledge of strategic management principles can help aviation organizations, just like organizations in other industries, achieve high strategic and financial performance and develop a clear understanding of industry competitive dynamics. Aviation Strategic Management, as a course of study can significantly enrich the educational experience of students in aviation programs and mold them into competent aviation professionals. This is because it provides an effective way to synthesize technical information with management principles and apply this information and principles on everyday industry issues. We propose that strategic management can and should be an inextricable piece in aviation curricula, both at the graduate and undergraduate levels and can be used as an excellent and appropriate theoretical foundation for aviation capstone courses.

Defining Strategy

Strategy is a concept that made its way from the military domain to business administration. Many business authors refer to Sun Tzu's book *Art of War*, in which the 6th century Chinese general stated "strategy is the great work of organization" as the precursor of modern strategy textbooks. Here is a review of the definitions of strategy that can be found in some of these textbooks:

1. "Strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and define the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of economic and noneconomic contribution it intends to make to shareholders, employees, customers, and communities" (Andrews, 1987, p. 13).
2. "A company's strategy consists of the competitive efforts and business approaches that managers employ to please customers, compete successfully, and achieve organizational objectives" (Thompson & Strickland, 2003, p. 10).
3. "Strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage" (Hitt, Ireland & Hoskisson, 2003, p.9).
4. "Our definition of strategy is a series of goal-oriented decisions and actions that match an organization's skills and resources with the opportunities and threats in its environment" (Coulter 2002, p.7).
5. "Strategy refers to the top management's plans to attain outcomes consistent with the organization's mission and goals" (Wright, Kroll & Parnell, 1998, p. 4).
6. "What's a strategy? (…) It's a plan of attack" (Walt Disney's *Peter Pan*, quoted by Grant, 1998, p. 15).

It is interesting to note that while Andrews (1987) defines strategy as both the objectives and the way the organization manages to achieve them, the other authors

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quoted above seem to consider that objectives are pre-determined and that strategy is the set of actions undertaken to achieve them. In other words objectives are one element and strategy is another element. As a matter of fact, this is similar to what can be found in Sun Tzu's military treatise, in which the author explained that the goal was to "protect the state" and strategy was the actions put in place to achieve this goal.

To some extent, Phillips and Kaps' proposed definition of *aviation management* is consistent with this as it refers to "general business processes" that are used to achieve pre-determined objectives. However, while it is important to distinguish between strategy and objectives, there is also a key difference to establish between *strategy* and *strategic management*. If strategy is a plan – indeed the word *plan* is often used in the above definitions of strategy – then strategic management is the process by which the plan is designed and executed. Seen in this light, there seems to be a lot of similarities between management and strategic management, as both are processes that are used to achieve specific objectives.

But, are there any differences between *management* and *strategic management*? An easy answer to this question would be that the management process happens everywhere in the organization; while the chief executive officer is the key person responsible for the strategic management process. Some strategy textbook authors, such as Coulter (2002), argue for a more democratic approach to strategy and suggest that it is the job of every manager to manage "strategically."

The question of strategy locus (i.e. where it happens) is probably much less important that the question strategy focus. While *management* can refer to a specific function or department in a company, *strategic management* is concerned with the organization as a whole, as will be demonstrated by the aviation strategic management process proposed in this article. Furthermore, most strategy textbooks make a distinction between strategy *formulation* and strategy *implementation*. Strategic management is therefore the process of formulating and implementing strategy. A parallel can be drawn between the planning stage of the management process and strategy formulation, while leading, organizing, and controlling would translate as implementing strategy.

Strategic management is a key element of undergraduate and graduate business program curricula. Students become familiar with the strategic management process either in upped division undergraduate courses or in capstone-type courses. Capstone type courses are those that follow a systems approach to pedagogy as they typically integrate what students have learned throughout their entire program of study. Students are asked to leave aside any functional interest such as marketing, finance or IT that they may have developed and think in terms of the organization as a whole.

Students in specialized aviation curricula in business, both at the undergraduate and graduate students are also driven to discover how the technical knowledge that they have acquired in aviation specialized courses can serve the strategic goals of various organizations that form the aviation supply chain.

The Aviation Strategic Management Process

Building on the similarities between Phillips and Kaps' (2005) definition of aviation management and the definition of strategy and strategic management reviewed above, we will describe a series of steps (namely a "general business process") that students of strategy need to follow in formulating and implementing strategy. As discussed above, the strategic management process is concerned with the organization as a whole. Furthermore, the proposed framework is in keeping with most strategy definitions found in the literature, as well as Phillips and Kaps' (2005) definition of aviation management, in the sense that the proposed process should be used to achieve pre-defined objectives in the aviation industry.

The proposed model was developed through a number of years of strategy research in aerospace and aviation, and strategic management teaching in both graduate business programs (specifically MBA programs) and MBA programs that are applied to aviation. While the model was inspired by strategy textbooks as well as research articles, it does not follow precisely any of them. All textbooks have their strengths and weaknesses but none of them offered a coherent aviation strategic management framework.

Such attempts have been made in recently published textbooks such as Flouris and Oswald's (2006) *Designing and Executing Strategy in Aviation Management* which looks closely at how strategic concepts and tools can be specifically applied to the aviation industry and attempts to contribute to the development of strategy as important subject in aviation management. Furthermore, Stephen Holloway's (1998) *Changing Planes: A Strategic Management Perspective on an Industry in Transition* looks at strategic choices and lessons learnt in the airline industry as a result of these choices. Edited texts such as *Strategic Management in the Aviation Industry* by Delfman et.al. (2005) as well as *Strategic Management in Aviation: Critical Essays* by Lawton (2007) provide collections of case studies that advance the understanding of strategic choices in the industry.

Strategic and Financial Performance in the Aviation Industry

There are two types of objectives that organizations seek to achieve, namely strategic objectives and financial objectives (Thompson & Strickland, 2003). Strategic objectives have to do with the performance of the company on the marketplace, with how well the organization satisfies the users of products or services that it offers. Examples of strategic objectives include customer satisfaction, market share, and brand superiority. While an effort should be made so that every objective is measurable, some strategic objectives are qualitative in nature.

Financial objectives could include growth in revenues, growth in earnings, larger cash flows, and stock prices. However, we should keep in mind that stock price reflects

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nothing more than the perception of the investors about the value of a company. The financial indicator that tells the real story is a companies accounting performance. A large number of government-owned organizations, quasi-government, and not-for-profit organizations are ever present in the aviation supply chain. While the notion of stock price and shareholders' value does not apply to such organizations, they cannot avoid balancing costs and revenue. In what follows, the various steps of a process designed to help aviation organization to achieve high strategic and financial performance will be reviewed.

Scanning the Aviation Environment

While strategists are concerned with the organization as a whole, they are also preoccupied with the environment in which their organization operates. Environmental scanning is therefore an important step of the strategic management process. What does environmental scanning entail? How does the strategist go about it? The *external environment*, or the "world out there", is a fairly broad concept. Aviation strategy makers need to know where to start. The aviation strategic management framework provides them with a conceptual representation of the environment in which their organization operates. In other words, the framework tells aviation strategists where to start.

Most strategic management textbook authors agree that the external environment should be conceptualized in two levels: the general environment and the industry environment. There is an important distinction to be made between these two levels of environment. While the competitive efforts of a given aviation organization are unlikely to have an impact on the general environment, they could very well change the rules of the game in the industry environment. For example, companies that do business in the aviation industry cannot do much about oil prices, economic downturns, or information technology innovations. In essence all they can do is carefully scan these various components of the general environment to detect trends, evaluate their potential impact on their companies, and act accordingly. The industry environment is another story. The story of doing things differently which applies to carriers such as Southwest and Ryannair, for example, have considerably modified the competitive dynamics of the airline industry in recent years as, the abovementioned airlines have successfully practiced a new business model.

In his seminal article published in the Harvard Business Review in 1979, Michael Porter invited strategists to open their mind and embrace a broad definition of the industry environment. The key message conveyed by the well-known five forces model was that direct competitors were not the only players that companies had to worry about. Indeed, Porter explained very well how potentials entrants, companies offering substitute products, buyers, and suppliers could drive industry profitability down. The five forces model is extremely useful for aviation strategy makers, as it invites them to broadly define the industry environment in which their organization operates. For example, substitutes to air transportation, such as on-line discussions or video conferencing, are available to business travelers. Hence, providers of such substitute services should be in

the aviation strategy makers' radar screen and, if this line of reasoning is extended, various air transportation service providers, from airlines to travel agencies etc. are in fact competing with many other "substitute" services available to consumers.

Most strategy textbooks emphasize that the analysis of the general and industry environment leads the strategist to the identification of opportunities and threats. Opportunities are typically defined as "positive external environment trends or changes that may help the organization improve its performance" while threats are just the opposite namely "negative external trends or changes that may hinder the organization's performance" (Coulter, 2002, p. 76). However, it could be argued that not all strategy textbook authors insist enough on the *key success factors* that should also be discovered during the external analysis. This is unfortunate because the clear identification of key success factors is central to strategy creation. What are key success factors? Simply stated, they are the rules of the games that companies should follow if they want to survive in their industries. Key success factors are the reason why buyers choose between competing brands (Thompson and Strickland, 2003, p. 106). They relate to the characteristics of the product or service offered (for example: objective quality, perceived quality, technological leadership, etc.) and to the way the product or service is offered (for example, availability, warranty, distribution network, etc.). The understanding of key success factors currently poses a real challenge to some players in the airline industry, as the reasons why travellers choose between competing carriers and even between surface and air travel are not all that clear. This is somewhat problematic given that, as will be demonstrated below, key success factors identification is an important pre-requisite to the formulation of a successful business strategy.

The tools and techniques for external analysis are particularly useful to manage strategically in the aviation industry. Reciprocally, there are plenty of illustrations of the strategic management framework in the aviation industry. For example, the deregulation process of the U.S. airline that was initiated in 1978 posed a considerable threat on legacy carriers and, as such, is a very good example of the impact of the regulatory component of the general environment on the organization. The response of legacy carriers to the new threats in the general environment was to put in place hub-and-spoke systems, acquire feeder airlines, and develop code-sharing agreements in order to create entry barriers. The other elements of the aviation strategic management process that are going to be reviewed in the next sections will help understand the strategic nature of these moves.

Analyzing the Aviation Organization

Although the external analysis and the internal analysis are discussed in two different sub-sections, they happen simultaneously. Indeed, it is the tacit knowledge of what his or her organization is good (or not particularly good) at that impels the strategist to identify a given trend as an opportunity (or as a threat).

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How can the strategist proceed to perform an internal analysis? Just as a conceptual representation of the environment was needed to guide the external analysis, a model of the organization is needed to conduct the internal analysis. Porter's (1985) value chain model serves very well this purpose and this constitutes further evidence of the importance of this author's contribution to the field of strategy.

Porter has argued that a network of discrete activities lies under any competitive advantage (1985, 1991). His value chain model distinguishes between two types of activities conducted in companies, namely primary activities and support activities. Primary activities are related to the *raison d'être* of the organization. An aircraft manufacturer's primary activities would include inbound logistics, operations, outbound logistics, sales and marketing, as well as service. In the case of an airline that offers air transport services that are "produced" and "consumed" simultaneously, inbound logistics, operations and outbound logistics could be grouped together. Support or peripheral activities include procurement, technological development, human resource management, and infrastructure. Infrastructure activities can be loosely defined and may include managerial aspects that are not housed in any function but relate to the organization as a whole, such as legal and regulatory affairs, or the general management of the organization.

The value chain model is a flexible and powerful tool. It is flexible because it can be adapted to any firms as the strategists can cut out the organization to be analyzed in the set of primary and support activities that best represents it. It is powerful because it allows the strategist to get to the heart of things and to reach deep organizational levels of analysis. As such the value chain model reveals the day-to day running of the organization and invites strategy makers to design a number of precise questions in relation with each activity. For example, the following questions can be asked when reviewing the procurement activities: Have we developed alternate sources for obtaining needed resources? Are resources procured in a timely fashion? Are they at acceptable quality levels? (Coulter, 2002, p. 134). It should be noted, however, that it is the awareness of the characteristics of external environment in which the organization operates that allows strategists to determine if specific activities are conducted in a superior way or not within their own organization. This is a further indication that the external analysis and the internal analysis are in fact conducted simultaneously.

The internal analysis performed with the value chain model leads the strategist to identify strengths and weaknesses. Strengths and weaknesses are rather old strategy concepts. However, since the publication of Barney's highly influential article in 1991, the resource-based view (RBV) has made its way in most strategy textbook. The key premise of RBV is that a firm's resources are more important than the industry competitive forces in developing competitive advantage. A firm should therefore select a strategy that best allow it to utilize its resources and capabilities. RBV vocabulary includes terms such as resources, capabilities, strengths, and competencies that are not that easy to define. Explaining the differences between these terms is the daily struggle of modern strategy instructors. Scarbrough (1998) amongst others pointed out the

tautological character of RBV, arguing that its message boils down to saying that organizations are good because they are good. Beyond its limited explanatory power, another problem with RBV is that is seems to give more importance to the internal analysis than to the external analysis. RBV invites strategists to put considerable efforts into defining company's capabilities and this may divert their attention from internal weaknesses and negative external forces. Indeed, some authors have argued that it is time for a pendulum swing, time to realise again that environmental forces play an important part in the sustainability of competitive advantage (Hoskisson et al., 1999).

Despite its limitations, the resource-based view is extremely useful for aviation strategy makers as it helps them understand that strengths or capabilities need to be hard to imitate in order to be used as competitive advantage. RBV authors argue that the reasons why a capability is hard to imitate maybe historical, ambiguous and socially complex. In other words, hard-to-imitate capabilities are developed almost by chance as the result of complex interactions between organizational members. For example, it has been argued that the secret of low cost carriers' success is explained by their strong organizational culture. However, digging a bit further and looking back at the early days of Southwest during which one of its founders, Herb Kelleher, was defending the company in court and working very hard to obtain permission to offer air transport services, a more specific explanation for Southwest success may be found. An argument can be made that the courtroom fights contributed to transform Kelleher into an organizational hero setting the example for every organizational member to profoundly dedicate himself or herself to the organization. Such hard to copy capabilities are developed over time and cannot be easily emulated. The resource-based view does offer potentially rich explanations for the success or failure of airline companies.

One of the main purposes for conducting an external analysis is the identification of key success factors, namely the rules of the game in the industry. Furthermore, strategists need to evaluate the extent to which their company's capabilities match the key success factors. One can only guess how successful would be an aviation organization able to match key success factors with competences that would be hard to copy by competitors. However, this represents a considerable challenge at present in the airline industry because, as mentioned earlier, the reasons why travellers choose between competing carriers and even between surface and air travel are not as clear as they used to be.

Formulating the Corporate Strategy

The plans, policies, and actions that constitute a strategy are concerned with the organization as a whole. However, different strategies exist at different levels of the organization. Indeed, strategy can be formally envisioned as a hierarchy reflecting the organizational structure of multidivisional corporations (Grant, 1998). The *corporate strategy* states the general direction that the organization will follow. It is formulated at corporate level (headquarters office) and determines the business sectors in which the organization will operate as well as the scope of the activities in each of the business

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sectors. Formulating a corporate strategy consists of choosing among the following options: growth, stability, and renewal. When a company choose to grow, it can aim at increasing its sales in the business sector in which it is already active. This is called concentration. Company can also choose to diversify in business sectors that are either related or unrelated to their core business.

The external and internal analysis will determine the choice of corporate strategy. For example, the external analysis may have allowed strategists to identify potential new markets for their company's products or services. Furthermore, the internal analysis might have revealed that the company has sufficient capacity to serve new markets. In such a case, growth would seem a natural choice. The development of hub-and-spoke systems and acquisitions of regional airlines by legacy carriers in response to the threat posed by deregulation was an example of growth by concentration. However, a combination of negative trends in the business environment (economic downturn, September 2001 terrorist attacks, and fuel prices, to name a few) are still forcing legacy carriers to pursue renewal strategies, which may include, re-engineering, divestment or in more extreme cases, bankruptcy.

Formulating the Business Strategy

Whereas the business sectors in which the firm will be active is selected at the corporate strategy level, *business strategy* decisions dictate how each business unit will compete in their specific sector. Porter (1980) has argued for the existence of two types of competitive advantage which can be combined with either a broad or limited competitive scope to create four well-known business strategies: cost leadership, differentiation, focused low-cost and differentiation. While in his early work Porter insisted strongly on the danger of being stuck in the middle of low cost and differentiation, advances in manufacturing technologies that have allowed firms to resolve the productivity – quality dilemma, have eventually lead him to revisit his early idea (Porter, 1990). Interestingly, when presenting Porter's generic competitive strategies, most strategy textbooks now offer a fifth choice, namely the "integrated low-cost differentiation strategy" (Coulter, 2002) or the "best-cost provider strategy" (Thompson and Strickland, 2004).

Many low cost carriers such as JetBlue and WestJet, are pursuing in reality an integrated low-cost differentiation strategy, allowing travellers to enjoy both a nice flying experience and low fares (Dostaler and Flouris, 2006). In comparison, the typically lower-cost regional subsidiaries of legacy carriers such as American Eagle or Air Canada Jazz are much closer to the cost leadership strategy as defined by Porter, trading-off service quality for low fares.

It is easy to understand that companies pursuing a cost leadership strategy try to offer lower prices than competitors. Differentiation, however, is not as self-explaining as cost leadership. Pursuing a differentiation strategy means offering a product or a service for which customers are willing to pay more. How can that be? How can a product or a

service be valued more than another by customers? This happens when companies succeed in using the key success factors identified during the external analysis as bases of differentiation. As mentioned earlier, key success factors are rules of the game in terms of the characteristics of the product or service offered, and the way it should be offered, in the business sector where the organization operates. Designing a successful differentiation strategy is extremely challenging for airlines because, as suggested earlier, key success factors in the airline industry are difficult to identify.

It is often necessary to move up the supply chain to discover potential bases of differentiation. For example, the features of new generation aircraft such as the Airbus 380 and the Boeing Dreamliner will allow airlines to differentiate the air transportation services that they will offer to their customers.

Implementing Corporate and Business Strategies

So far, we have discussed the two highest levels of the hierarchy of strategies, namely corporate and business strategies. These two levels reinforce each other as corporate strategy dictates the choice of business sectors to be in and the business strategy specifies how the organization will compete in each of the chosen business sectors. The lowest level of this hierarchy of plans reveals the instrumental character of functional strategies designed to support the implementation of the business and corporate strategies.

The above discussion seemed to imply that when formulating corporate and business strategies, managers may choose out from a “menu” of generic options. The literature on functional strategies is much less content centred and therefore in keeping with the Harvard approach to business policy, which considers each company situation as unique (Greiner et al., 2003). Combined to form what is fashionably referred to as a “business model,” functional strategies are typically defined as “the short-term goal-oriented decisions and actions of the organization’s various functional units” (Coulter, 2002, p. 163).

Marketing strategy, human resource strategy, research and development strategy, and operations strategy are examples of functional strategies. A human resource strategy will consist of a set of decisions regarding staffing, training, compensation, performance appraisal, etc. Airline’s human resource strategy needs to be particularly well-designed given that air transport services are produced and consumed simultaneously: defective service cannot be produced and repaired afterwards. Therefore, employees need to be well-trained and inspired by a strong organizational culture. Every functional strategy should be formulated in a way that is congruent with the business and corporate strategies. Indeed, a successful strategic management process should lead to the formulation of the right strategy and should also result in the congruence between the various levels of strategy. This is how the strategic management process can help aviation organizations to achieve high strategic and financial performance.

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Conclusion

Our paper has proposed an aviation strategic management framework. The various steps of this framework were reviewed and applied to the industry through examples. While the process described in this article seemed quite rational, in the sense that strategy was defined as a means to a clearly defined end, not all authors agree that this vision of strategy and organizational life is accurate and realistic. In fact, the rational strategic management process described in this article has been considerably challenged in the literature. Mintzberg (1987) has notably argued that strategy is not just a deliberate plan and that a large part of firms' actual strategies may be unintentional or emergent. He has blamed formal approaches to strategy making for promoting strategy formation as a process of conception rather than as one of learning, arguing that separating formulation from implementation equals detaching thinking from acting (Mintzberg, 1990).

While these arguments appear convincing, the present article advocates for a mix of formal and emergent approaches. We suggest that aviation strategy makers should master the tools and techniques of strategic management but at the same time they should allow themselves to be good at recognizing unforeseen patterns emerging in their organization. For example, aviation organization employees might have developed unnoticed but highly efficient ways of doing things over the years. Such practices (potentially hard to imitate by competitors) should be recognized, nurtured, and implemented wherever, possible in the organization.

While the aviation strategic management process presented in this paper appears to be particularly relevant for business organization, it can very well be used in the large number of government-owned organizations and not-for-profit organizations comprising the aviation supply chain. A research study conducted by Kenville (2005) on the use of strategic planning in large hub airports constitutes a further indication of the relevance of strategy in various types of aviation organization. Similarly, while the distinction between the various levels of strategy (corporate, business, and functional) could lead the reader to believe that the aviation strategic management process can only be applied in large aviation organizations, this is not necessarily the case. Small organizations can also benefit from the framework proposed in this article. The questions addressed by the corporate strategy (What business do we want to be in? What will be the scope of our operations?) and the business strategy (How should we compete in our business sector?) are relevant for large and small organizations alike. The only difference being that, in the case of small organizations, the corporate and the business strategy will be formulated in a single entity.

We, through a discussion of our proposed (aviation) management process, have demonstrated that, while *management* can refer to a specific function or department in a(n) (aviation) company, *strategic management* is concerned with the organization as a whole. Aviation Strategic Management, as a course of study can significantly enrich the educational experience of students in aviation programs and mold them into competent aviation professionals as it provides an effective way to synthesize technical information

(knowledge of the aviation industry) with management principles (management theory) and apply this information and principles (strategic management theory vis-à-vis design and implementation) on everyday industry issues. For the abovementioned reasons, we propose that strategic management should be an inextricable piece in aviation curricula, both at the graduate and undergraduate levels and can be used as an appropriate theoretical foundation for aviation capstone courses an call upon the aviation academy to explore ways to design appropriate curricula that utilize strategic management fundamental and the way they apply to the aviation industry.

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