

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
The Bryan School of Business and Economics
Department of Management

MBA 712-01: Strategic Management
Spring 2019

T 6:30 – 9:20PM Bryan 204

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Office Hours: T 5:00 – 6:00 PM
OR By Appointment

REQUIRED TEXTS/READINGS/REFERENCES:

TEXTBOOKS:

1. Grant, R. M. (2019). **Contemporary Strategy Analysis: Text and Cases, 10th edition**, John Wiley & Sons, ISBN# 978-1-119-49572-7
There is a free 14-day trial of E-Text of the book at www.wileystudentchoice.com. This will allow you to use the textbook materials in a format the best suits your learning.
2. Thompson, A. J. Stappenback, G. J., & Reidenback, M. A., Thrash, I. F., Harms, C. C. (2019). **The Business Strategy Game: Competing in a Global Marketplace (2019 Edition): Player's Guide**. McGraw Hill-Irwin: New York, NY. (Obtainable from www.bsg-online.com).

READINGS (These readings will be placed on Canvas, excluding the textbook):

- Mintzberg, H. 1987. The strategy concept I: Five P's for strategy. *California Management Review (CMR)*, 30(1): 11-24.
- Porter, M. E. 1996. What is strategy? *Harvard Business Review (HBR)*, 74(6): 61-78.
- Hambrick, D. C. & Fredrickson, J. W. 2001. Are you sure you have a strategy? *Academy of Management Executive (AME)*, 15(4): 48-59.
- Karnani, A. (2010). The case against corporate social responsibility. *Wall Street Journal (WSJ)*.
- Friedman, M. (2013). "The social responsibility of business is to increase its profits". In C. M. Boardman, A. N. Sandomir, & H. Sandok (ed). *Foundations of Business Thought*, Pearson Education, Inc., Upper Saddle River, NJ. (originally published in The New York Times, September 13, 1970).

- Porter, M. E. 1979. How competitive forces shape strategy. *Harvard Business Review (HBR)*, 57(2): 137-145.
- Porter, M. E. 2008. The five competitive forces the shape strategy. *Harvard Business Review*, 86(1): 78-92.
- Levitt, T. 1983. The globalization of markets. *Harvard Business Review (HBR)*, 61(3): 92-102.
- Porter, M. E. 1980. **Competitive Strategy: Techniques for Analyzing Industries and Competitors**. New York: Free Press.
- Porter, M. E. 1987. From Competitive advantage to corporate strategy. *Harvard Business Review*, 65(3): 43-59.
- Campbell, A., Gold, M., and Alexander, M. 1995. Corporate strategy: the quest for parenting advantage. *Harvard Business Review*, 73(2): 120-132.
- Gold M., and Campbell, A. 1998. Desperately seeking synergy. *Harvard Business Review*, 76(5): 131-143.
- Kim, W. C., and Mauborgne, R. 2009. How strategy shapes structure. *Harvard Business Review*, 87(9): 72-80.
- Bartlet, C. A., and Ghoshal, S. 2000. Going global: Lessons for late movers. *Harvard Business Review*, 77(2): 132-142.
- Ghemawat, P., and Hout, T. 2009. Tomorrow's global giants. *Harvard Business Review*, 86(8): 80-88.
- Arrunada, B., and Vazquez, X. H. 2006. When your contract manufacturer becomes your competitor. *Harvard Business Review*, 84(9): 135-144.
- Farrell, D. 2006. Smarter Offshoring. *Harvard Business Review*, 84(6): 84-92.
- Pisano, G. P., and Shih, W. C. 2009. Restoring America's competitiveness. *HBR*, 87(7/8): 114-125.
- Cyriac, J., Koller, T. & Thomsen, J. 2012. Testing the limits of diversification. *McKinsey Quarterly*, February 1-5.

CATALOG DESCRIPTION:

This course examines the tools and techniques of strategic analysis, the formulation and implementation of competitive and corporate strategy for creating and sustaining competitive advantage.

COURSE OBJECTIVES:

1. Describe the tools of strategic and competitive analysis in different industry contexts.
2. Demonstrate how to integrate strategic analysis, strategy formulation and strategy implementation in an organization.
3. Discriminate relevant from irrelevant information in company and industry case studies and assess the activities of top managers that allow them to create sustainable competitive advantage for their companies.
4. Apply the tools of strategic and competitive analysis in the global business environment by analyzing a firm's industry and strategy and developing recommendations.
5. Analyze the managerial task associated with crafting, implementing and executing company strategies and the actions managers can take to promote competent strategy implementation.

6. Synthesize the knowledge gained in a variety of different business and related courses, and the case discussions to craft and implement future business strategies for competitive advantage.

TEACHING METHODS AND ASSIGNMENTS FOR ACHIEVING LEARNING OUTCOMES:

The delivery format of the course will involve a combination of lectures/discussions, case discussions of organizations from around the world, case analyses, experiential exercises, and guest speakers from industry (if possible). Final course grade would be based on class participation, case written assignments, team leadership of cases, a team company and industry project, and performance on final exam.

Class Contribution

Due to the nature of the course, students are expected to come to the class with prior preparation. This is important as little can be gained from the class without such preparation. Students should therefore come to classes well prepared to share their thoughts and ideas with others in the class. The quality and quantity of contributions to the class discussions will determine the points awarded to each student.

Class contribution has many facets in the course including:

- Attendance
- Courtesy (cell phones/pagers off; absence of extensive side conversations)
- Attentiveness (focus directed to whoever has the floor, not distracting others)
- Asking questions of groups leading in the discussion of case analyses
- Providing comments and critiquing reading materials
- Providing constructive comments and suggestions on cases
- Use of Laptop computers in class solely for class activities that day. **Note that if you're found using your computer for any other purpose, you'll not be allowed to bring your computer to class for the rest of the semester.**

Note that if you attend all classes and do not provide comments, suggestions, or ask questions about the lectures and case presentations, or participate in class discussions, you will only receive a **maximum of 50%** of the class contribution grade. If you only participate by providing comments and asking questions during lectures, you will receive a **maximum of 70%** for class contribution grade. Participation in the case discussions is a pre-requisite for obtaining a grade better than a C in class contribution. Class contribution points will be awarded during every class session.

Group Case Leadership

Due to the size of the class, teams of 3-4 students each will be required to lead in the discussion of **ONE** assigned case. The team will have 30-45 minutes to deliver a traditional case analysis concluding with recommendations for the organization. Assume your audience have read the case but have agonized less over its contents than your group. *Convey* the big ideas by focusing on the most important issues in the case. You may bring in materials from other courses and from your own perusal of the supplementary readings and searches if they relate to the issues in the case. The team should allow time for questions and answers, and comments from the students in the class regarding the issues, ideas and recommendations they present. In other words, do not plan on presenting for more than 30 uninterrupted minutes

(leave at least 20 minutes for questions and discussions). **Grading of case leadership** will be based partly on *presentation and delivery* (professionalism, clarity of speech, visual aids, coverage of major issues in case – 40%), and *content of presentation* (quality of analysis and recommendations – 60%).

Business Strategy Game Simulation

Your team will manage a company, which would be required to make a set of decisions relating to the functional areas. To learn the simulation, you will need to read the Player's Guide thoroughly. To register for the BSG simulation, I will provide each student with his/her industry/company registration code at the first day of class after the formation of groups. You will then have to go to www.bsg-online.com to register for the simulation exercise. You will need to complete the registration process by paying with a credit card.

There will also be a practice round to help you familiarize yourself with the dynamics of the game. You will be evaluated on the following activities:

1. BSG Simulation quiz (one quiz, open-book, to be completed online by **Monday, January 21, 2019**).
2. **Initial statement of company mission, objectives and strategy (Due on Tuesday, February 12, 2019, to be submitted to Canvas):** Present your company's mission, objectives and intended strategy. The strategy statements should not be more than **FIVE** pages, double-spaced, 12-point font, page-numbered and should have a cover page. Your statement should include but not limited to addressing the following questions:
 - What is the purpose of your company?
 - What are your company's performance targets or objectives and under what timetable?
 - What positions you seek in the industry or market? What differentiates your company from your competitors?
 - How it would enable your company to achieve superior performance?
 - What is your plan for getting there? What trade-offs do you anticipate making?
 - How are you organizing your top management team? What roles is each person performing? How will you make team decisions?
3. **Overall performance:** You will be awarded points based on how well your company met its different performance objectives in comparison with other companies in the same industry (class). Your company's performance will be based on five performance measures, with weights in parentheses:
 - Earnings per share (20%);
 - Return on stockholders' equity (ROE) (20%);
 - Stock price appreciation (20%);
 - The company's credit rating (20%); and
 - Corporate/brand image (20%).
4. **Final Written Report (Due on April 23, 2019, to be submitted to Canvas):** Each team will provide a written report to its Board of Directors and investors/analysts about the company's efficiency and effectiveness in accomplishing its initial mission and objectives, and prospects for the future. The report should include the following in an integrated manner:

- Brief review of performance, comparing it with competitors.
- Comparison of actual strategies with intended strategy.
- Critical evaluation of actual and intended strategies and decisions within the context of the industry environment and the company's competitive resources and capabilities.
- Examination of top management team decision-making processes. What planning and decision process did the management team use?
- Presentation of the general strategy you would use if the game was to continue for five more years into the future.
- Discussion of what you learned from the experience.

Present an honest and critical assessment of your team's successes and failures in the light of the dynamic business and economic environment, highlighting the important critical issues your team encountered.

The report should not be more than **12 pages (excluding any figures or tables, which must be placed in the appendix)**. The report must be double-spaced, font size 11 and above with 1-inch margins, page numbered, and must have a cover page. You will lose points equal to 5% of the BSG grade for each violation.

Individual Case Analyses

Every student will be required to prepare **TWO** written case analyses. **One** of the cases must be selected from the cases to be discussed in class. An individual whose team is leading in presenting a particular case cannot write on that case. For example, Team 1 is scheduled to present the "**Kerig SA**" case; if you're a member of Team 1 you cannot submit an individual written analysis on the "**Kerig SA**" case. You should conduct a traditional individual written case analysis using the tools and techniques gained from this course and the balance of your MBA courses to provide a true capstone analysis. The written case must be professionally prepared and turned in latest at the beginning of the class period in which that case is being discussed. The case analysis should be 5-7 pages in length (excluding any figures or tables), page numbered, double-spaced, font size 11 and above, and 1-inch margins. The **second case** is **Zynga: Is the Game Over?**, which will be made available in Canvas in the **second week** of classes. The second case would have to be completed by every student in the class and students will be required to respond to the questions for that case. The deadline for submitting the Zynga case analysis to Canvas is **11:59pm on March 1, 2019**.

The case analyses reports should have a cover page. You will lose points equal to 5% of the written case grade for each violation. To spread the workload in grading the cases over the course of the semester, I will provide a sign-up sheet for the first case write-up on the first day of class. You will be graded on the thoroughness of your analysis, reasoning ability and writing.

Here are some general hints for preparing the individual case analysis

1. Avoid laundry list. Focus and organize your analysis. Look for a framework from the class that helps you to organize the analysis and presentation of the issues in the case.
2. Don't summarize the case. Your client (and the instructor) is very familiar with the situation and requires further analysis. Your analysis should answer the "so what factor", which is common in most consulting assignments.

3. Consulting scenario. Know your client and always think about your client first. Your analysis should address issues that your client would be expecting in your report.
4. Use of pictorial illustrations. It is usually difficult to present a rigorous analysis and recommendation in 5-7 pages. Make use of pictorial illustrations (e.g., graphs, charts, tables, etc.) to summarize points.
5. Quantitative and qualitative analysis. Make sure you make use of the information in the case exhibits. Incorporate both quantitative and qualitative information in your case analysis (e.g., the use of ratio analysis).

Final Examination

This course will have a final examination which will be held on **April 30, 2019**. The examination will cover the concepts covered in the textbook and readings. The exams will be given in an essay format and there will be four questions in which you will be required to answer all the questions.

EVALUATION AND GRADING:

Students will be evaluated according to their performance on the following components on the course: class participation, group case leadership, individual written case analysis, and a final exam focusing on the concepts from the textbook. The computation of students' average numerical score will be based on the following weighting scheme:

| Assignment | Percentage of Grade |
|---|----------------------------|
| Class Contribution | 15 |
| Team Case Leadership | 10 |
| Business Strategy Game Simulation | 30 |
| Quiz (5%) | |
| Mission, vision & strategy statement (5%) | |
| Simulation Performance (10%) | |
| Written Report (10%) | |
| Individual Case Analyses (10% each) | 20 |
| Final Examination | <u>25</u> |
| Total | 100 |

The following grading scale will be used in this course:

| Percentage | Grade |
|-------------------|--------------|
| 94 – 100 | A |
| 90 – 93.99 | A- |
| 86 – 89.99 | B+ |
| 82 – 85.99 | B |
| 78 – 81.99 | B- |
| 70 – 77.99 | C |
| < 70 | F |

TOPICAL OUTLINE/CALENDAR:

Class Schedule

| Date | Topic/Activity | Required Readings and Assignments |
|-------------|--|--|
| Jan 15 | <ul style="list-style-type: none"> • Course Overview • What is Strategy? • BUSINESS STRATEGY GAME (BSG) SIMULATION | <ul style="list-style-type: none"> • Grant (2019): Chapter 1 • Mintzberg, H. 1987. The strategy concept I: Five P's for strategy. California Management Review (CMR), 30(1): 11-24. • Porter, M. E. 1996. What is strategy? Harvard Business Review (HBR), 74(6): 61-78. • Hambrick, D. C. & Fredrickson, J. W. 2001. Are you sure you have a strategy? Academy of Management Executive (AME), 15(4): 48-59. • BSG Simulation Discussion • Print and Read BSG Players Manual |
| Jan 22 | <ul style="list-style-type: none"> • Goals, Values and Organizational Performance • Analyzing Strategy Cases • CASE DISCUSSION 1 • BSG | <ul style="list-style-type: none"> • Grant (2019): Chapter 2 • Karnani, A. (2010). The case against corporate social responsibility. Wall Street Journal (WSJ). • Friedman, M. (2013). "The social responsibility of business is to increase its profits". In C. M. Boardman, A. N. Sandomir, & H. Sandok (Eds). Foundations of Business Thought, Pearson Education, Inc., Upper saddle River, NJ. (Originally published in The New York Times, September 13, 1970). • Madonna: Sustaining Success in a Fast-moving Business (Whole Class) • BSG Simulation Practice Decision Due by 11:59 pm on Monday, January 21 • Complete BSG Quiz by 11:59pm on Jan. 21 |
| Jan 29 | <ul style="list-style-type: none"> • Industry and Competitive Analysis | <ul style="list-style-type: none"> • Grant (2019): Chapters 3 and 4 • Porter, M. E. 1979. How competitive forces shape strategy. HBR, 57(2): 137-145. • Porter, M. E. 1980. Competitive Strategy: Techniques for Analyzing Industries and Competitors. New York: Free Press (pp. 3-33). |

| Date | Topic/Activity | Required Readings and Assignments |
|--------|---|---|
| | <ul style="list-style-type: none"> • CASE DISCUSSION 2 • BSG | <ul style="list-style-type: none"> • Porter, M. E. 2008. The five competitive forces that shape strategy. <i>HBR</i>, 86(1): 78-92. • Case 2: Kerig SA: Probing the Performance Gap with LVMH (Team 1) • BSG Simulation Decision 1 (Year 11) Due by 11:59 pm on January 28 |
| Feb 5 | <ul style="list-style-type: none"> • Analyzing Resources and Capabilities • CASE DISCUSSION 3 • BSG | <ul style="list-style-type: none"> • Grant (2019). Chapter 5 • Case 3: Pots of Gold? The US Legal Marijuana Industry (Team 2) • BSG Simulation Decision 2 (Year 12) Due by 11:59pm on February 4 |
| Feb 12 | <ul style="list-style-type: none"> • Organizational Structure and Management Systems • CASE DISCUSSION 4 • BSG | <ul style="list-style-type: none"> • Grant (2019). Chapter 6 • Kim, W. C., and Mauborgne, R. 2009. How strategy shapes structure. <i>HBR</i>, 87(9): 72-80. • Case 7: Harley-Davidson Inc., in 2018 (Team 3) • BSG Simulation Decision 3 (Year 13) Due by 11:00 pm on February 11 • Statement of Mission, Objectives and Strategy Due by 11:59pm on February 12 (submit via Canvas) |
| Feb 19 | <ul style="list-style-type: none"> • The Sources and Dimensions of Competitive Advantage • CASE DISCUSSION 5 • BSG | <ul style="list-style-type: none"> • Grant (2019). Chapter 7 • Porter, M. E. 1980. Competitive Strategy: Techniques for Analyzing Industries and Competitors. New York: Free Press (pp. 34-46). • Case 9: Starbucks Corporation, March 2018 (Team 4) • BSG Simulation Decision 4 (Year 14) Due by 11:59pm on February 18. |

| Date | Topic/Activity | Required Readings and Assignments |
|----------|---|---|
| Feb 26 | <ul style="list-style-type: none"> • The Sources and Dimensions of Competitive Advantage (Continued) • CASE DISCUSSION 6 • BSG • Zynga Case Analysis | <ul style="list-style-type: none"> • Grant (2019). Chapter 7 • Porter, M. E. 1980. Competitive Strategy: Techniques for Analyzing Industries and Competitors. New York: Free Press (pp. 34-46). • Case 10: Eastman Kodak's Quest for a Digital Future (Team 5) • BSG Simulation Decision 4 (Year 14) Due by 11:59pm on February 25. • Zynga Case Analysis is Due by 11:59pm on Friday, March 1, 2019 |
| March 5 | SPRING BREAK | NO CLASS |
| March 12 | <ul style="list-style-type: none"> • Industry Evolution and Strategic Change • CASE DISCUSSION 7 • BSG | <ul style="list-style-type: none"> • Grant (2019). Chapters 8 • Case 11: The New York Times: Adapting to the Digital Revolution (Team 6) • BSG Simulation Decision 5 (Year 15) Due by 11:59pm on March 11. |
| March 19 | <ul style="list-style-type: none"> • Competitive Advantage in Technology-based Industries • CASE DISCUSSION 8 • BSG | <ul style="list-style-type: none"> • Grant (2019): Chapter 9 • Case 12: Tesla Motors: Disrupting the Auto Industry (Team 7) • BSG Simulation Decision 7 (Year 17) Due by 11:59pm on March 18. |
| March 26 | <ul style="list-style-type: none"> • Vertical Integration and the Scope of the Firm. | <ul style="list-style-type: none"> • Grant (2019): Chapter 10 • Arrunada, B., and Vazquez, X. H. 2006. When your contract manufacturer becomes your competitor. <i>HBR</i>, 84(9): 135-144. • Farrell, D. 2006. Smarter Offshoring. <i>HBR</i>, 84(6): 84-92. • Pisano, G. P., and Shih, W. C. 2009. Restoring |

| Date | Topic/Activity | Required Readings and Assignments |
|---------|--|---|
| | <ul style="list-style-type: none"> • CASE DISCUSSION 9 • BSG | <p>America's competitiveness. <i>HBR</i>, 87(7/8): 114-125.</p> <ul style="list-style-type: none"> • Case 15: Zara: Super-Fast Fashion (Team 8) • BSG Simulation Decision 8 (Year 18) Due by 11:59pm on March 25. |
| April 2 | <ul style="list-style-type: none"> • Global Strategy and the Multinational Corporation • CASE DISCUSSION 10 • BSG | <ul style="list-style-type: none"> • Grant (2019) : Chapter 11 • Levitt, T. 1983. The globalization of markets. <i>HBR</i>, 61(3) : 92-102. • Bartlet, C. A., and Ghoshal, S. 2000. Going global: Lessons for late movers. <i>HBR</i>, 77(2): 132-142. • Ghemawat, P., and Hout, T. 2009. Tomorrow's global giants. <i>HBR</i>, 86(8): 80-88. • Case 18: Haier Group: Internationalization Strategy (Team 9) • BSG Simulation Decision 9 (Year 19) Due by 11:59pm on April 1. |
| April 9 | <ul style="list-style-type: none"> • Diversification Strategy & External Growth Strategies: Mergers, Acquisitions, & Alliances • CASE DISCUSSION 11 • BSG | <ul style="list-style-type: none"> • Grant (2019) : Chapters 12 & 14 • Porter, M. E. 1987. From competitive advantage to corporate strategy. <i>HBR</i>, 65(3): 43-59. • Campbell, A., Gold, M., and Alexander, M. 1995. Corporate strategy: the quest for parenting advantage. <i>HBR</i>, 73(2): 120-132. • Gold M., and Campbell, A. 1998. Desperately seeking synergy. <i>HBR</i>, 76(5): 131-143. • Cyriac, J., Koller, T. & Thomsen, J. 2012. Testing the limits of diversification. <i>McKinsey Quarterly</i>, February 1-5. • The Virgin Group in 2018 (Team 10) • BSG Simulation Decision 10 (Year 20) Due by 11:59pm on April 8. |

| Date | Topic/Activity | Required Readings and Assignments |
|----------|--|--|
| April 16 | <ul style="list-style-type: none"> • Implementing Corporate Strategy: Managing the Multibusiness Firm | <ul style="list-style-type: none"> • Grant (2019): Chapter 13 |
| April 23 | <ul style="list-style-type: none"> • BSG | <ul style="list-style-type: none"> • Teams work on BSG Report • NO CLASS • FINAL WRITTEN REPORTS DUE BY 11:59PM VIA CANVAS |
| April 30 | <ul style="list-style-type: none"> • FINAL EXAM | <ul style="list-style-type: none"> • Exam will focus on concepts from textbook and readings |

Note: This schedule is subject to change.

ACADEMIC INTEGRITY POLICY:

The Academic Integrity Policy, administered by the Vice Chancellor for Student Affairs, is described in detail in the Policies for Students handbook (Please refer to <http://academicintegrity.uncg.edu/>). Students are responsible for becoming familiar with the Policy in all its aspects and for indicating their knowledge and acceptance of the Policy by signing the honor pledge for all major work submitted. Students should recognize their responsibility to uphold the Policy and to report apparent violations to the appropriate persons.

ATTENDANCE POLICY:

Attendance is **required** at all class sessions and will impact the grade you earn for the course. Attendance will be taken at the beginning of the class. Leaving the class before the end of the session without prior approval from the instructor will constitute an absence from class. If you must leave early for some reason, I ask that you inform me of this prior to the beginning of the class.

FINAL EXAMINATION:

This course will have a final examination. The final examination will focus on the concepts in the textbook and the readings.

ADDITIONAL REQUIREMENTS:

Written Assignments Policies

- a. Every written assignment **must** have a cover page, page numbered, double-spaced, font size 11 and above, and 1-inch margins.
- b. All assignments should be well organized, and well written. There should be no typing errors, spelling mistakes, or grammatical errors.
- c. Use headings and sub-headings throughout all written assignments.

You will lose points equal to 5% of the assignment grade for each violation.

Canvas and Electronic Communications

A number of course documents, including course lecture slides and readings, will be posted in Canvas. Typically, an electronic communication will be sent to the class indicating that a new posting has been made. Having access to and frequently checking Canvas will be important to your success in this course.

Email Communications

For purposes of this course I will assume that you check your UNCG email daily. Thus, I assume you will be aware of any communications or requests sent at least 24 hours prior to our class meetings. If you have any questions about UNCG email you can obtain assistance by calling 256-tech during normal business hours or by asking for assistance in the Bryan School computer labs.

Inclement Weather

The University of North Carolina at Greensboro will remain open during adverse weather conditions unless the Chancellor makes the administrative decision to make a schedule change. Students can obtain details on those decisions from the Adverse Weather Line at (336) 334-4400 or the web address: <http://www.uncg.edu/iss/weather.htm>

Expectations of Students

Students in the Bryan School are also expected to adhere to the Student Code of Conduct. Further details may be found at <http://academicintegrity.uncg.edu/complete/> and <http://studentconduct.uncg.edu/policy/code/>. The Bryan School has additional expectations and guidelines for students to follow which can be found at http://www.uncg.edu/bae/faculty_student_guidelines.pdf.

Expectations of Faculty

The Bryan School expects its faculty to conform to all existing UNCG codes and policies. These are found at http://provost.uncg.edu/faculty/h_section4.asp In addition, the Bryan School has expectations and guidelines for faculty to follow which can be found at https://bryan.uncg.edu/wp-content/uploads/2017/08/faculty_student_guidelines.pdf