

E/M 365: Strategic Management

9:00 AM Section - Fall 2011

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Office Hours: M,T,W,F 11:30-1:30 & by appointment

Course Materials: Textbook and case pack (both required)

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| | <u>Hardcopy</u> |
| Text | ISBN: 978-0390-943392 |
| Case pack | ISBN: 0-390-936049 |

COURSE OBJECTIVES

Strategic Management deals with decisions that fundamentally influence the direction of the organization and effective implementation of the direction chosen. This course therefore addresses strategic positioning, resources and capabilities, and design of the organization to create, capture and sustain competitive advantage.

In E/M-365 Strategic Management, you will develop your skills at:

- Developing your general management skills that integrate across functional areas;
- Understanding how firms gain and sustain competitive advantage;
- Analyzing strategic business situations and formulating strategy; and
- Implementing strategy and organizing the firm for strategic success.

Success ultimately depends not only on the soundness of the formulated strategy, but also on effective implementation through appropriate organizational choices. Strategic Management focuses on strategic decisions, and with both the content of those decisions and the processes by which general managers position the businesses and allocate resources under conditions of both uncertainty and competition. This course utilizes various tools, concepts, and analytical frameworks that enhance our ability to define and analyze strategic problems and to identify sources of competitive advantage from both an industry and firm-level perspective.

This business course focuses on key issues in formulating and implementing strategies to create and sustain competitive advantage. Focusing on a firm's unique resources and capabilities, we analyze the impact of change and environmental forces that can create or destroy opportunities for establishing and sustaining competitive advantage. Emphasis is given to developing pragmatic and action-oriented

general management skills. Theory within the disciplines of strategy, accounting, economics, finance, international business, marketing, political science and organization theory have important implications for general management. Thus, this course emphasizes both cases and lecture/discussion sessions.

Strategic management deals with the world of experience. The world of experience is not a world of certainty. Thus, within the classroom, reasonable people (with different experiences) will view management differently. Management involves *making* sense together, and is a creative and subjective process. Conjectures and knowledge based on personal experiences are highly valued within the conversation of this class.

THE RELATIONSHIP OF STRATEGIC MANAGEMENT TO OTHER BUSINESS COURSES

Up until this time, most of your education has emphasized a specialized, functional perspective of business situations. For example, in Accounting, you have concentrated on how to both identify and produce the information necessary to manage and guide organizations effectively. In Finance, you have been concerned with how capital markets work and, in turn, affect the financing of a company's on-going operations. In Marketing, the focus has been on how to analyze, shape and respond to the needs of consumers as well as how to manage a company's marketing efforts. In Production and Operations Management, the focus has been organizing the production activities of a firm so it is able to produce quality goods and services at an attractive price. In Entrepreneurship the focus has been on the stages of development for a new firm. Finally, courses on Human Resource Management have been concerned with the effective development and management of a company's human assets. All of these functional disciplines play a critical role in the success of a company, *but how do they fit together?*

The focus of this course is on running an organization as a whole. We integrate functional views together by taking the unique perspective of *the situational problems of the general manager*. The general manager's primary responsibility is to ***diagnose the critical factors*** that require attention in complex business situations and ***to find workable solutions*** to strategic and organizational problems. To solve such business problems, the general manager must be capable of understanding and using knowledge from each functional area to provide a "total business" (systems) perspective on issues pertaining to strategic management. The general manager must also analyze competitive situations within industries in order to understand the sources of the firm's competitive advantage. Strategy is enabled and constrained by the economic and political conditions that prevail in an industry or country, as well as by the resources available to management. In today's increasingly global business environment, whether you are a newly hired employee or the CEO of the company, you must be capable of ***strategically*** thinking like a general manager.

COURSE REQUIREMENTS

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| QUIZZES (BEST 6 OF 7) | 15% |
| SEMESTER CONSULTING REPORT | 12.5% |
| 4 TEAM INTEGRATION PRESENTATIONS | 32.5% |
| MIDTERM | 20% |
| FINAL | 20% |
| PEER EVALUATION ADJUSTMENT | FLEXIBLE |
| TOTAL | 100% |

COURSE REQUIREMENT DETAILS

Quizzes

Quizzes are designed to test your individual understanding of concepts from readings assigned since the last quiz. Your ability to apply the concepts to analyze a company situation is contingent upon having basic knowledge that you get from reading the material in the text. You will take seven quizzes to test your understanding. The questions will be multiple choice format. The quizzes are noted on the daily class schedule. Your top 6 quiz scores will be counted.

Class Contribution

Although class contribution is not graded, active contribution in the class is an essential part of the learning experience. You are expected to contribute both to the case discussion and to discussion during the lecture sessions. Most of the learning in the course will occur through discussion. Thus, everyone should strive to be an active participant. Meaningful contribution requires having carefully read and thought about the day's material, but that is not sufficient. You also need to speak and while key insights are appreciated, you can also contribute by asking questions, politely disagreeing with comments, or following up on another student's comments with further insights or evidence.

Preparation questions are provided to enhance class discussion. These questions are designed to give you "direction" in your preparation of the topic or case to be covered in class. Questions will be emailed to you. You are encouraged to prepare and discuss in groups prior to coming to class to discuss the text and case material.

It is expected that you have read everything assigned. It is especially valuable and appreciated when you come to class with questions about the readings. **You will get more out of class when you bring these materials with you as I will be referring to specific pages and exhibits during the discussion.**

Semester Consulting Report – Organizational Development

Student teams will work with an organization to identify a strategic issue critical to the firm's overall performance, analyze the situation, provide alternatives that will resolve or improve the situation at hand. Additionally, the teams will be expected to develop a plan for the implementation of the recommendation given. The teams will generate a written report to the organization and give a formal 10-minute oral report to representatives of the organization.

Topic: the strategic issue identified must deal with the topic of *organizational development* (OD), i.e., the organization's efforts to increase its effectiveness and viability. OD is commonly referred to as any efforts designed to change and it is a complex organizational strategy intended to change the internal workings and structure of an organization so it can better adapt to new technologies, markets, challenges, etc.

Deliverables: each team will present the organization with a typed and professional looking report, not to exceed 15 pages. Additionally, a 3 page executive summary needs to accompany the full report. An electronic version of each report is to be submitted to Dr. Braekkan the week prior to the final presentation. Finally, each group will present a 7-slide PowerPoint presentation during the last week of class.

Team Integration Presentations

Student teams will analyze 4 cases comprehensively using materials covered to date. All teams will analyze and prepare a presentation and brief indicating their identification of strategic issues, analysis and recommendations.

Midterm and Final Exam

There will be a midterm and a final exam. Each exam will consist of two portions; one section covering comprehension of theoretical material and one section testing your ability to apply the concepts and tools to an organizational situation. More details will be distributed closer to the date of the exams.

Team Peer Evaluation

To avoid “free rider” problems, peer evaluations will be administered for each of the Team Integration Presentations and the Consulting assignment. This will also be used to identify problems early in order to address them throughout the semester. A completed hardcopy Peer Evaluation that rates your team peers is required from every team member. The individual grade you receive on team projects will be adjusted based on peer evaluation. Failure to complete a peer evaluation on time will result in a 10% reduction of the student’s grade every 24 hours after the deadline. The peer evaluation forms will be emailed to you prior to the first case. A hardcopy of the peer evaluation is due at the beginning of class according to the class schedule.

Tentative Class Schedule

Text Reading Key

K.E. = Ketchen & Eisner

D.L.E. = Dess, Lumpkin & Eisner

G.R. = Ghemawatt & Rivken

| Week | Day | ACTIVITY & TOPIC | Casebook Readings unless noted as handout | Text Readings |
|---------|------|---|--|--|
| Sep 5 | T, W | INTRODUCTION | Handout: Syllabus | K.E. Chapter 1 |
| | W, F | INTRO TO CASE ANALYSIS I: OVERVIEW | How to Discuss a Case <i>-Horror Show at the Cinemaplex</i> | K.E. Chapter 9 K.E. Appendix to Chapter 9 K.E. Chapter 3 (Evaluating Firm Performance section) |
| Sept 12 | M, T | INTRO TO CASE ANALYSIS II: APPLICATION Monday: Quiz 1 | Handout: -Movie Theater firm financial spreadsheets -Horror Show at the Cinemaplex | Chapter 9 Appendix to Chapter 9 Chapter 3 (Evaluating Firm Performance section) |
| | W, F | COMPETITIVE ADVANTAGE CONCEPT I: GENERIC COMPETITIVE STRATEGY Friday: Quiz 2 | | K.E. Chapter 6 G.R. Creating Competitive Advantage (last chapter in text) |
| Sept 19 | M, T | COMPETITIVE ADVANTAGE I APPLICATION: GENERIC COMPETITIVE STRATEGY EXTERNAL ANALYSIS I Tuesday: Consulting Client Meeting | | K.E. Chapter 4 |
| | W, F | EXTERNAL ANALYSIS II Wednesday: Quiz 3 | Cola Wars | K.E. Chapter 4 |
| Sept 26 | M, T | EXTERNAL ANALYSIS APPLICATION | Competition in the Golf Equipment Industry | |
| | W, F | Team Integration Case I Hardcopy & softcopy documents due Tuesday, 4:30 p.m. | Competition in the Golf Equipment Industry | Employ analysis tools covered to date |
| Oct 3 | M, F | COMPETITIVE ADVANTAGE CONCEPT II: RESOURCE-BASED VIEW Monday: Quiz4 Monday: Peer evaluation 1 due | | K.E. Chapter 1 (Resource-Based View of the Firm section) K.E. Chapter 3 |

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| Oct 10 | M | COMPETITIVE DYNAMICS: TINKERING SIMULATION | | |
| | T, W, F | COMPETITIVE ADVANTAGE II APPLICATION: RESOURCE- BASED APPLICATION | Starbucks | |
| Oct 17 | M, T, W, F | Team Integration Case II Hardcopy & softcopy documents due Tuesday, 4:30 p.m. | Rogers' Chocolates | Employ tools covered to date |
| Oct 24 | M | Review Day Peer evaluation 2 due | | |
| | T, W F | MIDTERM EXAM Part 1: Theory Part 2: Case Analysis Consulting Progress Report Due (In person) | | |
| Oct 31 | M, T, W, F | CORPORATE STRATEGY: DIVERSIFICATION, VERTICAL INTEGRATION, MERGERS & ACQUISITIONS Friday: Quiz 5 | | K.E. Chapter 5 |
| Nov 7 | M, T, W | DIVERSIFICATION/VERTICAL INTEGRATION APPLICATION | Walt Disney | |
| | F | MERGERS & ACQUISITIONS APPLICATION | Handout: Acquisition opportunities | |
| Nov 14 | M, T, W, F | Team Integration Case III Hardcopy & softcopy documents due Tuesday, 4:30 p.m. | Adidas in 2008 | Use appropriate tools and frameworks covered to date |
| Nov 21 | M, T | STRATEGY IMPLEMENTATION Tuesday: Quiz 6 Monday: Peer evaluation 3 due | | K.E. Chapter 7 (Traditional Forms of Organizational Structure section) K.E. Chapter 8 |
| Nov 28 | M, T, W, F | INTERNATIONAL STRATEGY Wednesday: Quiz 7 | Philips vs. Matsushita | D.L.E. Chapter 7 International Strategy (second to last chapter in text) |
| Dec 5 | M, T, W, F | Team Integration Case IV Hardcopy & softcopy documents due Thursday, 4:30 p.m. | Haier: Taking a Chinese Company Global | Use appropriate tools and frameworks covered to date |
| | F | Course Wrap-Up | | |
| Dec 12 | M, T, W | CONSULTING REPORT PRESENTATIONS | | |
| FINAL EXAM TBA | | | | |