

E/M 365: Strategic Management

Spring 2012

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Office Hours: M,T,W,F 9-10am & 11:30-12:30pm

Course Material

- Custom Text Book
- Custom Case Book
- *The Art of Strategy* – Dixie & Nalebuff

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

QUIZZES (5 OUT OF 6)	7.5%
SEMESTER CONSULTING REPORT	7.5%
4 TEAM INTEGRATION CASES	30%
BOOK DISCUSSION	5%
MIDTERM	25%
FINAL	25%
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 six quizzes to test your understanding. The questions will consist of multiple-choice questions and short problems. Your top 5 quiz scores will be counted. The quizzes will be unannounced and consist of questions from text readings, case readings, and game theoretical applications.

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

Student teams will work with a local organization on a consulting project related to strategic management. Each group will work on a unique project and will generate a written report to the organization with the deliverables and give a formal 20-minute oral report to representatives of the organization at the end of the project. Details regarding topics and deliverables will be discussed in class.

Team Integration Cases

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.

Book Discussions

We will read a book on game theory and strategic thinking. We will discuss the book on several occasions throughout the semester solely dedicated to the interpretation of this book and the application of game theory. Each student will lead us through two class periods (or parts of a class period) of discussion where you help your classmates work through the theoretical and practical implications of the reading. Your job is not to teach the material covered, but rather to engage your classmates with the ideas introduced by the author. Leading a discussion takes careful planning on the part of the student in charge. You should therefore have specific topics to discuss in mind and you should lead the discussion by posing a variety of questions to the class. You may want to see your professor to go over your plan for the discussion.

Your grade will be based on 1) the development of relevant and provocative discussion questions, 2) discussion leadership (asking questions clearly, facilitating discussion, asking appropriate follow-up questions, engaging all members of the class), 3) effort devoted to making discussion interesting and accessible to classmates, and 4) ability to work with a group.

In short, your grade will depend on your ability to lead a group discussion and your participation in each and all of the meetings. Book discussions will account for 5% of your final grade.

Midterm and Final Exam

There will be a midterm and a final exam. These exams will test your ability to apply the concepts and tools to a company 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. 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

D.N. = Dixit & Nalebuff

Week	Day	ACTIVITY & TOPIC	Casebook Readings unless noted as handout	Text Readings
Feb 6	M, T	INTRODUCTION	Handout: Syllabus	K.E. Chapter 1
	W	INTRO TO CASE ANALYSIS I: OVERVIEW	<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)
	F	<i>TEN TALES OF STRATEGY</i>		D.N. Introduction & Chapter 1
Feb 13	M	INTRO TO CASE ANALYSIS II: APPLICATION	Handout: -Movie Theater firm financial spreadsheets -Horror Show at the Cinemaplex	Chapter 9 Appendix to Chapter 9 Chapter 3 (Evaluating Firm Performance section)
	T, W	COMPETITIVE ADVANTAGE CONCEPT I: GENERIC COMPETITIVE STRATEGY		K.E. Chapter 6 G.R. Creating Competitive Advantage (last chapter in text)
	F	<i>BACKWARD REASONING</i>		D.N. Chapter 2
Feb 20	M, T	COMPETITIVE ADVANTAGE I APPLICATION: GENERIC COMPETITIVE STRATEGY EXTERNAL ANALYSIS I		K.E. Chapter 4
	W	EXTERNAL ANALYSIS II	Cola Wars	K.E. Chapter 4
	F	<i>PRISONERS' DILEMMA</i>		D.N. Chapter 3
Feb 27	M, T	EXTERNAL ANALYSIS APPLICATION	Competition in the Golf Equipment Industry	
	W, F	Team Integration Case I	Competition in the Golf Equipment Industry	Employ analysis tools covered to date
Mar 5	M, T	COMPETITIVE ADVANTAGE CONCEPT II: RESOURCE-BASED VIEW		K.E. Chapter 1 (Resource-Based View of the Firm section) K.E. Chapter 3

	W	COMPETITIVE DYNAMICS: TINKERING SIMULATION		
	F	<i>A BEAUTIFUL EQUILIBRIUM</i>		D.N. Chapter 4
Mar 12	M, T, W	COMPETITIVE ADVANTAGE II APPLICATION: RESOURCE- BASED APPLICATION	Starbucks	
	F	<i>CHOICE AND CHANCE</i>		D.N. Chapter 5
Mar 19	M, T, W, F	Team Integration Case II	Rogers' Chocolates	Employ tools covered to date
Mar 26	M	<i>STRATEGIC MOVES</i>		D.N. Chapter 6
	T	Review		
	W, F	MIDTERM EXAM Part 1: Theory Part 2: Case Analysis		
April 9	T, W	CORPORATE STRATEGY: DIVERSIFICATION, VERTICAL INTEGRATION, MERGERS & ACQUISITIONS		K.E. Chapter 5
	F	<i>MAKING STRATEGIES CREDIBLE</i>		D.N. Chapter 7
April 16	M, T, W	DIVERSIFICATION/VERTICAL INTEGRATION APPLICATION	Walt Disney	
	F	<i>INTERPRETING/MANIPULATING INFORMATION</i>		D.N. Chapter 8
April 23	M, T, W	Team Integration Case III	Adidas in 2008	Use appropriate tools and frameworks covered to date
	F	<i>COOPERATION AND COORDINATION, AUCTIONS, BIDDING, AND CONTESTS BARGAINING</i>		D.N. Chapters 9 & 10
April 30	M	STRATEGY IMPLEMENTATION		K.E. Chapter 7 (Traditional Forms of Organizational Structure section) K.E. Chapter 8
	T, F	INTERNATIONAL STRATEGY	Philips vs. Matsushita	D.L.E. Chapter 7 International Strategy (second to last chapter in text)
May 7	M, T	Team Integration Case IV	Haier: Taking a Chinese Company Global	Use appropriate tools and frameworks covered to date

	W	<i>BARGAINING</i>		D.N. Chapters 11
May 14	M	<i>VOTING & INCENTIVES</i>		D.N. Chapters 12 & 13
	T	CONSULTING REPORT PRESENTATIONS		
	W	Course Wrap-Up		
FINAL EXAM TBA				