

Business Strategy
MGMT 498

Fall 2007

T 12:30-3:15, ASM 1004
T 7:00-9:45 PM, ASM 1016

Office hours: T 4-5

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Business Strategy (MGMT 498) is a course about formulating and implementing strategy in the global competitive environment. It takes the cross-functional perspective of the general manager who employs a wide range of resources to maximize the welfare of the whole company or division, while being sensitive to the needs of the broader set of stakeholders within and outside the organization. A clear understanding of this holistic perspective is important not just for those who occupy general management positions, but also for those in specialist jobs, because in order to be effective members of a management team that generates synergy across departments all team players must appreciate how the functions fit together and contribute to the overall goals. You will find yourself drawing selectively on what you have learned in the various core functional courses of the undergraduate program.

Cross-functional decision making requires not just knowledge of functional concepts, and frameworks for integration, but also a great deal of judgment. The materials are drawn from a wide range of industries in order to provide broad experience. Furthermore, recognizing the need for modern managers to thoroughly understand the global aspects of today's competitive environment, the cases used are from a range of international settings.

The course comprises three broad modules with different but overlapping topics:

Strategy Formulation

This module focuses primarily on analysis of the company's competitive environment, and formulation of strategy. Among the topics included are analysis of industry structure, sources and sustainability of competitive advantage, generic strategies, diversification strategies, and role of information technology.

Strategy Process and Implementation

The emphasis in this module is on process; i.e. the process by which companies formulate and implement strategy. It includes the role of leadership, the planning process, organizational design (structure, systems, etc.), organizational culture and organizational change.

Global Business Environment and a little B,G, and S

In order to compete globally, or to address domestic competitive moves by foreign competitors, it is imperative that managers understand how the broader social, political and institutional environment varies across countries, and how that impacts sources of advantage, industry structure, organizational culture and other important determinants of strategy. We look at those factors in some important geographic regions/countries and examine how they affect companies. We also dwell on the impact that company strategies can have on society, and the social responsibilities of managers.

The practice of management can't be easily divided into separate watertight compartments – the general manager must simultaneously address multiple aspects of business. Hence the concepts and discussion in the three modules will necessarily overlap. However, the emphasis will change from module to module allowing you to focus in relatively more depth on different topics as a way to enhance learning. The details of each module are provided in the summary schedule in Appendix I.

Grading

Evaluation of students' performance will be based on a variety of activities weighted as indicated below.

Individual performance	Weight	
Class participation	20 %	
Quizzes (top 7 scores of 8 quizzes)	20 %	
<i>Total for individual activities</i>		40 %
Team performance		
Starbucks assignment	5 %	
Presentations (see last page for the explanation of these assignments)	25 %	
Capstone project	30 %	
<i>Total for team activities</i>		60 %

Course learning objectives:

Integrate and extend knowledge and skills that students have developed throughout their undergraduate coursework.

Understand the role of a general manager and synthesize different cross-functional points of view in a coherent firm strategy.

Understand the role of the firm in society.

Apply skills and frameworks for industry analysis.

Conduct a strategic analysis of a company and **demonstrate an understanding** of this analysis in an oral presentation.

Evaluate the nature of a firm's competitive advantage. Understand how competitive advantage is linked to Porter's generic strategies.

Communicate strategic analyses in writing

Class participation. Grades for class participation will depend on both quality and frequency of participation. Quality is much more important than frequency. Students will receive high points for class participation when:

- * their participation shows evidence of thoughtful analysis,
- * their participation fits in with the flow of class discussion and demonstrates that they have been listening to and responding to others' viewpoint,
- * they are able to influence the class to consider important avenues that it has neglected,
- * they are able to engage constructively in debating points with other students.

Less value will be placed on participation that repeats facts without analysis, or that disrupts the flow of the class discussion without good reason.

Attendance of all classes and other activities is extremely important, as this is a course that relies heavily on class discussion and presentations. Being involved in all team activities is also essential for adequate learning. 5 % of the participation grade will be determined by evaluations of case presentations and capstone presentations.

Team case analysis presentation and recommendation implementation Each student will present a case with their capstone group. The cases available for these presentations will be indicated in Appendix 1. Each member of the group is expected to present. You will have 20 minutes for this presentation. Guidelines for this presentation are available on Eres. Additionally, each team will be expected to turn in a 2-3 page discussion of the implementation for 2 of the recommendations from their presentation.

Capstone case analysis and presentation Each person will be on a capstone team, responsible for a paper and presentation on a company of the group's choosing. This needs to be a high-quality, formal presentation complete with overheads and handouts, and with excellent time management. The time allowed for the presentation is 20 minutes with 5 minutes of Q&A to follow.

Students may form their own teams for this assignment provided they submit the team composition either in class or via e-mail to the instructor no later than the date listed for submission of capstone teams in Appendix 1. The optimal team size is 6, though some teams will need to 7 people. In that event the instructor may assign a seventh person to that team. Students who are not included in the teams submitted will be assigned to teams by the instructor a week after the due date for capstone groups. More specific information on the capstone project is available in a separate handout. This handout is available on Eres.

Materials

Students need to purchase the text which is available from the bookstore. The text is:

Hill, Charles W.L. and Jones, Gareth. *Strategic Management Theory: An Integrated Approach*, 7th edition. Houghton-Mifflin. ISBN-13:978-0-618-64164-2. There is also a casepack available from the bookstore

Students are also advised to regularly read business news publications such as:

Wall Street Journal, Financial Times, The Economist, Fortune, Business Week

Much of the material for the course is located on the course data site. There are slides and handouts for non-case discussions.

Appendix 1: Summary schedule

Sess. #/date	Topic	Reading
1 T 8/21	Intro	Analyzing a case study analysis (Eres)
2 T 8/28	What is strategic management anyway?	What is Strategy? (CP) The Core Competence of the Firm (CP)
3 T 9/4	Stakeholders, corporate governance, and ethics	Chapter 11 in Hill & Jones Handout on stakeholder analysis, corporate governance, and strategy and ethics (CDF) Conflicting responsibilities (CP) Quiz (Porter, Prahalad & Hamel, stakeholders)
4 T 9/11	External analysis Internal analysis	Chapter 3 in Hill & Jones Note on the structural analysis of industries (CDF) Guidelines for industry analysis handout (CDF) Sign up for capstone groups, case presentations Quiz (Internal, External)
5 T 9/18	Exploiting strengths and opportunities Functional-level strategy	Chapter 4 in Hill & Jones Starbucks (CDF), Begin discussion of Starbucks' five forces Quiz (FLS, Starbucks)
6 T 9/25	Business-level strategy Wal-Mart	Chapter 5 in Hill & Jones Wal-Mart (CP)* Starbucks assignment due Capstone company due with ticker symbol Quiz (BLS, Wal-Mart)
7 T 10/2	Corporate strategy: Horizontal integration, vertical integration, and straight outsourcing Corporate strategy: Diversification, acquisitions, and internal new ventures	Handout on HI and VI (CDF) Handout on diversification (CDF) From competitive advantage to competitive strategy (CP) Capstone proposal due Quiz (HI & VI, CA to CS)
8 T 10/9	Corporate strategy, I	The Disney Corporation* (CP) Handout on structure (CDF) No Quiz
9 T 10/16	Corporate strategy, II	News Corp* (CP) Structure exercise Quiz (Disney, News Corp, Structure)
10 T 10/23	Film	<i>Roger & Me</i> No Quiz
11 T 10/30	Structure and competition	Philips vs. Matsushita* (CP) No Quiz
12 T 11/6	Matching strategy, structure and controls	Chapter 12 in Hill & Jones Handout on controls (CDF) Xilinx Corp* (CP) Quiz (P vs. M, Controls, Xilinx)
13 T 11/13	Competing in the international environment	Chapter 8 in Hill & Jones Toys R Us, Japan* (CP) Quiz (Global chapter, TRU)
14 T 11/20	TBD	
15 T 11/27	Capstone, last minute questions	Meetings with capstone groups
16 T 12/4	Capstone presentations	

* denotes a case available for the case presentation component of the grade.

CP – Coursepack, CDF – Available on course data site