

## MGT 4350 STRATEGIC MANAGEMENT

SBA, Oakland University

Winter Semester, 2018

Class meetings: Mondays 8:00-11:20am EH212

### **Instructor: Professor Joy Ruihua Jiang**

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Office hours: Monday 11:30 am to 1:30pm, and/or by appointment

E-mail is the preferred contact method. Please always include your full name in your message. I will try to reply within 24 hours if your correspondence is sent on weekdays.

### **Course Readings**

The text provides comprehensive coverage of the field of strategic management. I acknowledge that the reading load is quite heavy (as is the textbook☺). Your commitment to keeping up on the readings is essential in order for you to obtain an interpretative framework for each topic and assignment. Since we will spend considerable time together critically examining the various strategic management concepts and frameworks, the assigned readings **must be completed in preparation for our class meetings**. By coming to class prepared, we can have a lively dialogue that will help raise our collective level of understanding.

### **Required Text:** *Strategic Management: Theory & Cases: An Integrated*

*Approach*, 11th Edition Charles W. L. Hill | Gareth R. Jones | Melissa A. Schilling

ISBN-10: 1285184483 | ISBN-13: 9781285184487

### **Course Description**

Strategy or Strategic Management, a.k.a. Business Management Policies is a very important course in both undergraduate and graduate business curricula. This is a capstone course covering total enterprise problems in determination, execution, and control within a global setting, helping students to develop a comprehensive understanding of business strategy from a general manager's perspective. The goal of strategic management is the formulation and implementation of value creation strategies that permit the firm to obtain and, if possible, sustain competitive advantages. This course aims to expose you to theoretical analysis, and strives for relevance to real world business issues and practices.

### **Course Objectives and Methodology**

The main objective of this course is to teach you to think and act strategically. More specifically, the course objectives include:

1. To develop your capacity to think strategically about a company, its business model and competitive position, how it can gain sustainable competitive advantage, and how its strategy can be implemented and executed successfully;
2. To build your skills in conducting strategic analysis in a variety of competitive situations and provide a stronger understanding of the competitive challenges of a global market environment;
3. To give you hands-on experience in developing and evaluating strategic options, making strategic decisions, and figuring out how to implement them effectively;
4. To integrate the knowledge gained in earlier core courses in the business school curriculum;
5. To develop your confidence in your ability to present your ideas in a logical and persuasive manner.

A wide variety of methods and sources, such as lectures, discussions, and case studies will be

used in this course. Substantial student involvement is required. You must be prepared for each class session by completing assignments prior to class. Student participation during class discussion is also essential for success in this course.

### **Our Respective Roles**

This course will be most enjoyable and productive if we all fulfill certain roles. Some of the roles for which I have the responsibility for fulfilling include: discussion leader, class facilitator, lecturer, mentor, and evaluator. Some of the roles for which you are responsible for fulfilling include such things as active participant, analyst, team player, presenter, and evaluator. We will discuss these important roles and several others during the first several weeks of the semester.

### **Expectations**

Above all, class attendance and class participation are critical for your success in this course. I expect that you will come to class fully prepared with all of the readings completed prior to our class meeting. I also expect that you will carry out your responsibilities in an ethical and professional manner both in and outside the classroom. Again, it is imperative that you read the assigned materials before coming to class. **Note:** *Un-announced quizzes* will be given at the beginning of some classes to make sure that you have done the readings assigned for that day's class. Finally, **there should be no need to text, take phone calls, or access the internet while in class.**

### **Course Requirements**

*Un-announced Quizzes:* 3-5 of such quizzes will be given during the semester, each including 5-10 questions. These quizzes are intended to test your preparedness for class. The questions will be about the readings (especially cases) assigned for that day's class according to the syllabus. Note: You are responsible for the readings even though the class discussions may have fallen behind the schedule. The grades on these quizzes become part of your participation grade.

*Quizzes:* There will be 2 Quizzes. Each quiz will cover 6 to 7 chapters, containing multiple choice and short answer questions. Successfully answering these questions will require an in-depth understanding of the material covered in this course. These quizzes are intended to check your grasp of all the material covered up to that point, including the text, lectures, and our class discussions (Note: some key points may or may not be covered in the text).

*Team Case Presentation & Business Strategy Simulation Game:* Strategy is an art as well as a science. Thus, my aim is to have each of you practice the art of strategy-making through two hands-on experiences: in-class case analysis and the business strategy simulation game.

- 1) The team case presentation requires that your team analyze cases in the textbook and address the issues listed in this syllabus. In addressing each of the strategic issues, be sure to read the case facts carefully and integrate as much course material as is appropriate. The team members are to read the cases in advance according to the Course Schedule, and then during the break-out time, the team will prepare a presentation on questions. More details will be explained in class.

- 2) The team business strategy simulation game requires that your team run a simulated business organization. Here, your team is to formulate and implement strategic decisions on a (mostly) weekly basis. Each team will be competing against the other teams. Your objective is to maximize your firm's performance based on the criteria provided in the game's Balanced Scorecard. The specific criteria for

the Balanced Scorecard are outlined in the section on “Grading Structure” in this syllabus. A separate handout will be given before the simulation starts later in the semester.

**To register for the simulation:**

- a. **Go to the simulation website:** <https://game.ilsworld.com/marketplace-live/>
- b. Create your student simulation account with the following information:
  - **Game ID: 08400-00007-64236**
  - Your team number (will be assigned once teams are formed)
  - You will purchase your license number online while creating your account

Technical Support:

- Email: [support@ilsworld.com](mailto:support@ilsworld.com)
- Phone: +1-865-522-1946

To prepare for this semester’s team initiatives, the class will be assigned randomly into teams having 4-5 members each. Each team will remain intact for both the case analysis and business strategy simulation game. Since these are team activities, each team will receive an undisclosed **group grade** on each team project, and your final **individual grade** will be the group grade **adjusted** by the (confidential) evaluation of your performance in the projects by your team peers. Since these are team activities it is imperative that each team member learn to work together in order to maximize their grade and the amount of fun to be had from such an experience.

Finally, receiving a good grade on both the case analysis and business strategy simulation game depends upon your ability to support your actions and recommendations based on the firm's capabilities within its environment. Writing and presenting persuasively are also critical to receiving a good grade. There are no right or wrong answers! All possible recommendations and decisions involve trade-offs. Be sure to address these trade-offs in both your written reports and class presentations.

**Class Participation: This is not a lecture course.** Class discussions, presentations, and dialogue generated from and about each team’s presentations depend heavily on each student’s active involvement. Points will be awarded for class participation based on four criteria: 1) Attendance; 2) Participating in class discussions, both quantity and quality; 3) Furnishing unique insights and practical experiences to class discussions; and 4) Providing thoughtful, comprehensive and insightful contributions to team presentations and critiques of other teams’ presentations. Around mid-term you will provide me with a Class Participation Self-Appraisal that I will then review and return to you. This self-appraisal will serve as a way to gauge your performance up to that point in time. More importantly, this process will provide you with an opportunity to improve your score before the end of the semester.

**Bonus Presentations on Current Business Events:** You are encouraged to read the business press. Get used to reading *Wall Street Journal*, *Business Week*, *Fortune*, etc. This is a habit that you should start now and keep for the rest of your career lives. From time to time, I will ask questions about, or get a volunteer to make a short presentation on some company or industry that is covered in the media. If you are interested in a specific industry or company, you may also choose to follow it in the press, and volunteer to keep the class informed on any significant development(s) happening there. Each volunteered presentation can get **up to 20 bonus points**. This also gives you additional opportunity to practice your presentation skills, which are very important for your career. In-depth and up-to-date information on an industry or company may also potentially help in your job-searching process.

**Team Dynamics**

To prepare for this semester’s team activities, the class will be grouped into teams having 4 to 5 members each. Each team will remain intact for all the case analyses as well as other in-class activities. Thus, it is imperative that each team member learn to work together in order to maximize your grade, the educational benefit derived, and the amount of fun to be gained from these experiences.

To improve team dynamics, I suggest that each team set rules from the beginning, schedule meetings early in advance to ensure attendance and commitment, and develop positive team norms. There are three mechanisms to prevent free-riding and other team issues: 1) Upon early sign of problem, submit a request for my intervention; if no improvement shown, 2) Vote to fire the non-performing member (This option is not available in the last month of class); and 3) Submit peer evaluations that grade the members’ performance as objectively as possible. For team activities, I will a) assign an undisclosed **group grade** based on the quality of your team performance, and b) adjust your **individual grades** in these team activities based on peer evaluations of your team members (see Peer Evaluation Form on Moodle). If a student is fired from a team, then he/she is to complete team projects on his/her own and will get a reduction in grade for undesirable team-work.

Writing and presenting persuasively in addition to making thoughtful and logical decisions are critical to receiving a good grade. As you will soon discover, in business strategy there are no right or wrong answers! Different strategies inevitably involve different trade-offs. Be sure to address these trade-offs in both your written reports and class presentations.

**Grading Structure**

(I) = Individual Grade                      (T) = Team Grade)

(I) Quizzes	<b>200 points (2 x 100 each)</b>
(T) Case Presentations	<b>150 points</b>
(T) Business Simulation Results	<b>350 points</b> - Total Business Performance = 30 pts
	- Financial Performance = 10 pts
	- Market Performance = 10 pts
	- Marketing Effectiveness = 10 pts
	- Investments in Firm’s Future = 10 pts
	- Creation of Wealth = 10 pts
	- Asset Management = 10 pts
	- Manufacturing Productivity = 10 pts
	- <b>Business Plan=140 pts</b>
	- <b>Report to the Board Presentation =110</b>
(I) Class Participation	<b>300 points</b>

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**TOTAL POINTS                                              1000 points**

The final grade structure will be based on a formula where 95% equals a 4.0 and 65% equals a 1.0, based on a 4.0 scale and equal distribution at .10 intervals.

**Typical Class Structure**

- 8:00 to 9:00 Lecture/Discussion of Content
- 9:00 to 9: 30 Group Discussion or Exercise
- 9:30 to 9:45 Break
- 9:45 to 11:20 Group presentation and/or Discussion

**Rebuttals to Grading**

Any rebuttals to grading must be approached through a typed, one-two page paper submitted to

me detailing the reason(s) for consideration of additional points. Additional points may be awarded based on the logic and thoroughness of your argument as well as any supporting documentation that you can provide to help substantiate your position. **My number one priority is to ensure that each of you is evaluated fairly and that your grades in this course accurately reflect your contributions.** By insisting that any grading controversies be approached in this manner, we transform a potentially unpleasant activity into a positive, learning experience.

### **Statement of Disabilities**

If you have a disability for which you are or may be requesting accommodations, please contact both your instructor and the Office of Academic Support Services, University Center 212 (610-758-4152) as early as possible in the semester. You must have documentation from the Academic Support Services office before accommodations can be granted.

### **Academic Honesty**

The work you do in this course—either your teamwork or your individual work--- must be your own. This means that you must be aware when you are building on someone else's ideas and acknowledge when you do so. This includes the ideas of your classmates, your professor, and the authors you read. I reserve the right to submit your work to any software that checks for originality of written works. If proof of plagiarism is found, you will fail the class and be referred to Academic Conduct Committee for further action.

### **Missing Class**

You are responsible for all material covered and all announcements made during each class. Missing class is not a valid reason for not being aware of any additional assignments or modifications to this syllabus. Moreover, any student who misses the exam or quiz due to a medical or family emergency (this must be an emergency with proper documentation) must contact me within 48 hours of missing the exam or quiz or they will receive a "0." Unexcused missed quizzes will result in a "0."

## COURSE SCHEDULE

<u>Date</u>	<u>Assignment &amp; Task</u>
1/8	Chapter 1 - Strategic Leadership & Introductions and Course Overview ➤ What is Strategy? ➤ What is case analysis?
1/15	*****No Class MLK Day*****
1/22	Chapter 2 – External Analysis  <b>Case 1 Tesla (C-201)</b> Questions: 1) What is Tesla’s Business Model? Who/What /How 2) What is its value proposition? 3) What are the challenges and opportunities of competing in the electric vehicle industry? Do an Industry Analysis.
1/29	Chapter 3 - Internal Analysis <b>Case 1 Tesla (C-201)</b> Question: 1) What are Tesla’s strengths and weaknesses? 2) Does it have any sources of sustainable competitive advantage?
2/5	Chapter 4 – Functional Level Strategy  <b>Case 2 Starbucks, 2013 (C-259)</b> Questions: 1) Analyze the specialty coffee café industry using Porter’s Five Forces and Macro-environmental Analysis. What are the key success factors in this industry? 2) What are Starbucks’ strengths and weaknesses? Does it have any sources of sustainable competitive advantage? 3) Porter argues that to achieve a sustainable position, a company has to make trade-offs that its competitors are unable or unwilling to make. What trade-offs has Starbucks made? What <i>different activity choices</i> has it made from its rivals? 4) How is Starbucks’ product positioned in the market? How do its functional-level strategies align (or fail to align) with this positioning?
2/12	H&J Chapter 5 - Business Level Strategy <b>Case 3: Toyota in 2013</b> Questions: 1) Compare and contrast Toyota’s manufacturing system with a conventional mass-production system. What are the advantages of Toyota’s system? 2) Describe the essential difference between the way supplier relations are managed at Toyota and how they were managed historically at the typical U.S. auto manufacturer. What are the consequences of these differences? 3) What is the basis of Toyota’s competitive advantage? Is it imitable? 4) What is Toyota’s business-level strategy? Low-cost or differentiation or both? <u><b>Simulation Quarter 1 Decisions due 10:00pm on Monday Feb. 12</b></u> <u><b>Simulation Quarter 2 Decisions due 10:00pm on Friday Feb. 16</b></u>
2/19	*****Winter Recess*****

2/26 H&J Chapter 6 - Business Level Strategy

**Case 4: Home Grocer (C-59)**

Questions: 1) What went wrong and why? 2) What was its value proposition and business model? 3) Is this a 'true' entrepreneurial opportunity? 4) What is special about this industry? Can it be dis-intermediated? 5) What could have prevented the failure? What lessons can you learn?

**Simulation Quarter 3 Decisions due 10:00pm on Friday March 2**

3/5 Chapter 7 – Strategy and Technology

**Case 5: Apple Inc., 1976-2013 (C-269)**

Questions: 1) Historically, what were Apple's major competitive advantages? 2) How has the structure of the personal computer market changed over the last 30 years? What are the implications for the profitability of personal computer manufacturers? 3) The iPod: Why was Apple so successful with the iPod business? 4) How did the iPhone change things? 5) What does the iPhone and iPad mean for Apple, and for the computer industry?

**Simulation Quarter 4 Decisions due 10:00pm on Friday March 9**

3/12 Chapter 8 – Strategy in the Global Environment

**Quiz 1 Chapters 1 to 7**

3/19 Chapter 8 – Strategy in the Global Environment

**Case 6: Airborne Express: The underdog (C-105)**

Questions: 1) According to Porter's framework, what generic strategy was Airborne Express pursuing? Was this a sound strategy in the context of the air express industry? 2) What were the strengths & weaknesses of Airborne Express? Did it have a distinctive competence? If so, where did it lie? Was this competency imitable? 3) Was Airborne's strategy of using strategic alliances to expand overseas wise? What were the pros and cons of this strategy? 5) Why did Airborne sell out to DHL in 2003? Why do you think that DHL was unable to grow its U.S. market share, and subsequently exited the market in 2009?

**Simulation Business Plan due 10:00pm on Friday March 23**

3/26 Chapter 9 & 10 – Corporate Strategy

**Case 7: 3M: The First 110 years (C319)**

Questions: 1) What are the roots of 3M's culture of entrepreneurship and innovation? What were the key tenets of this culture as they emerged over time? 2) How has entrepreneurship been institutionalized within the company? How has this support its overall corporate strategy? 3) The expansion of 3M into international markets was highly successful. What explains this? Drawbacks of this international strategy? 4) By the 1990s 3M was starting to develop some problems. What were the causes of these problems?

**Simulation Quarter 5 Decisions due 10:00pm on Monday March 26**

**Simulation Quarter 6 Decisions due 10:00pm on Friday March 30**

4/2 Chapter 11– Corporate Performance, Governance & Ethics

**Simulation Quarter 7 Decisions due 10:00pm on Monday April 2**

**Simulation Quarter 8 Decisions due 10:00pm on Friday April 6**

4/9 Chapter 12 & 13 Implementation

**Quiz 2 Chapters 8 to 13**

4/16 **Report to the Board Presentations**