

MGT 598: Strategic Management

Fall, 2015

Section 4 (12:30-3:00pm, GSM 318)

Section 1 (7:00-9:30pm, ASM 1017)

Day: Wednesdays

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Office hours: Wednesdays, 4:00 to 5:00 and by appointment

INTRODUCTION

The Strategic Management course is one of the most challenging in the MBA business curriculum. Strategic Management is a capstone course that will give you the opportunity to integrate what you have learned in other classes. The course is designed to teach you the skills of strategic thinking and analysis and to show you how to use concepts of strategic management in your life and career.

OBJECTIVES

The primary objective of this course is to introduce you to the analysis and formulation of strategic problems and decisions facing managers and leaders. The goal is to learn strategic management theories and concepts in order to “do” strategy. This class will focus on both the making and execution of business strategy. The diagnosis of business problems is only a small component of a successful competitive strategy. Making a particular strategy work, for a specific firm in a particular market, is a critical and underemphasized element of strategic management. You will be encouraged and challenged to work through the *implementation* of any prospective strategies. To this end, we will analyze cases pertaining to strategic management issues and discuss a variety of readings on the topic of strategic management

Another objective of this course is to provide you with a final capstone experience to your MBA career. As such, you will, working in a group environment, analyze a “live” organizational strategic case. By live, I mean that a company has volunteered their organization as a living laboratory complete with history, objectives, problems and potential solutions. Your job will be to understand their desire, analyze their situation and recommend a strategic course of action. It is your responsibility to develop a respectful relationship with your teammates and the organization you will work with.

The last major object of this course is to improve your teamwork skills and your written and oral communication skills. Contemporary managers are valued not only for their skills at technical analysis and problem solving, but also for their ability to *communicate* their solutions, *persuade* others of the viability of their insights and *construct* creative solutions in a group context. After completing your MBA in general,

and this class in particular, you should be able to think critically in new and unfamiliar circumstances through the application of conceptual and theoretical understandings of core business fundamentals. You should also be able to apply relevant qualitative and quantitative techniques to problem solving.

REQUIRED MATERIALS

- Course packet of cases to be purchased directly from HBS
 - <https://cb.hbsp.harvard.edu/cbmp/access/38433026> (session 001 - evening class)
 - <https://cb.hbsp.harvard.edu/cbmp/access/38433570> (session 004 - day class)
- You can access the readings through the library. There will also be readings from Harvard Business Review. However, as you get an electronic version of this material for free, I will not include these articles in your course packet, but will provide the reference to the articles in the week that they are assigned. If you want to purchase the pack of readings so that you can download them here is the link from HBS (there will be a fee) <https://cb.hbsp.harvard.edu/cbmp/access/38433805>
- Slides and other supporting material/handouts will be made available on UNM Learn.

RECOMMENDED MATERIALS

Strategy A view from the top (4rd edition), by Cornelis A. de Kluyver and John A. Pearce II, Prentice Hall. 2015.

COURSE REQUIREMENTS

	Points
Live Case	225
Written Report	125
Final presentation	75
Evaluation of your team members	25
Individual exam	75
Current Event	50
Class contribution	100
Reflection paper	50
Total	500

DESCRIPTION OF COURSE REQUIREMENTS

Current Event

Starting **September 16**, you will have the opportunity to present your knowledge about various concepts in the class as they relate to popular media. The presentation could be about Business Strategy principles found in newspapers (e.g. *Wall Street Journal*), websites (e.g. *Fast Company*), or business popular press magazines (e.g. *Business Week*). The assignment will be a 5-7-minute presentation. About 2-4 presentations will be made each week. Students will work in teams of two or three (or individually depending on the number of students in the class). Everyone has to present.

This assignment seeks to achieve the goal of developing leadership skills, critical thinking and problem solving skills, and communication skills.

Live Case Project

Individuals (with strong guidelines from the instructor) will work in a group of 4 to 6 members. The project will vary by the company, but all of the companies were told that their project has to be strategic in nature, has to be integrative across multiple functional areas (finance, operations, marketing, human relations, etc.) and should be able to be completed in 10-14 weeks. The teams (and the companies) should expect 3 meetings with their respective organization during the semester. We will have a formal discussion and check-in at least 2 times during the semester (**October 21** and **November 18**) where you will get a chance to discuss aspects of your project in class. Additional meetings with me can be arranged offline.

Three intermediate documents are required:

- Letter of engagement is due no later than **September 23**. After an initial meeting (client, professor and team members), the students will prepare an engagement letter that will identify the areas they will work on. Students will communicate with the client and the letter will be approved and signed by the professor.
- A formal scope document is due no later than **October 14**. The scope document will include the release forms and the letter of engagement and will detail the deliverables of the project. The document will discuss the following items: (a) brief background of the company; (b) strategic issue addressed in the analysis; (c) formal tools of analysis that will be used; (d) outline of the final report; (e) timeline to completion of the project and assignment of tasks to individual members. There is no page limit to the scope project; however, brevity and conciseness are appreciated. The purpose of the scope document is to plan the work and assign responsibilities. Feedback will be provided in class on October 21.
- A preliminary draft of the final report is due on **November 14**. This report will be complete and well written. The project report should be no more than 35 pages of text, not including the appendices. It should be no longer of 100 pages in total. Feedback will be provided in class on November 18.

This assignment seeks to achieve the teamwork and leadership skills, critical thinking and problem solving, communication skills, ethical awareness and quantitative and information processing learning goals.

Live Case Report

In addition to the final report, each group will make a formal presentation based upon their project. The presentation should be 20 minutes long and allow for 5 minutes of questions (25 minutes in total). The presentation should cover the key elements of the project: the main problem / issue, the analysis, the recommendation, and the implementation. In addition, the presentation needs to follow a “story line” and be creative. Slides and handouts are encouraged (however, be mindful that more technology does not always lead to a better presentation). Presentations will be held on **December 2** and **December 9**. The schedule may change due to availability of the client organizations.

Class Contribution

True learning can only be achieved if each student is actively participating. To stimulate participation, class contribution will count toward the final grade. As such, attendance is important as it is your chance to ask questions, learn from the other students, and integrate the material in the course. I expect that the material will be read prior to coming to class.

This assignment seeks to achieve the communication skills and critical thinking and problem solving learning goals.

Evaluation of your Team Members

45% of your grade is determined based on working in a group setting. Thus, each group member will anonymously evaluate themselves and their group member’s performance throughout the semester. Specifically, you will be given \$10,000 times the number of members in your group (if there are 5 members you will have \$50,000 to work with). You will be asked to split the money based upon the contribution each team member made to the group (including yourself). In addition to the monetary amount, you are also asked to provide a rationale. This will be due **December 9**.

This assignment seeks to achieve the teamwork and leadership skills learning goals.

Reflection Paper

This course is a capstone class, integrating concepts from all of your business courses. This assignment, 3 pages maximum, gives you a chance to reflect on the learning you have gained from the class discussion, lectures and assignments. You are to write, in detail, 3 learnings that you have gained from this class about strategic management. One of the learnings has to deal with the “live case”. This is due **December 2**.

This assignment seeks to achieve the critical thinking and problem solving and communication skills learning goals.

All written assignments should be typed or word-processed, double-spaced, pages numbers on the bottom, with reasonable fonts and margins (12 point, 1”), and (if printed) stapled in the top left corner. Please **do keep a back-up copy**.

Individual Exam

Your exam will be an assessment of your understanding of the tools of strategy and its application to real cases. The exam will comprise open questions about strategic tools that you will be asked to elaborate on in an essay form. One or more cases may be used to assess your understanding of strategic tools and frameworks and their applicability. The exam will be on **November 11** and it is closed books. As a general rule, I don't offer the possibility to write a make-up exam. I can consider a different arrangement if given proper notice and/or in exceptional circumstances. I appreciate your collaboration in this matter.

This assignment seeks to achieve the critical thinking and problem solving learning goals.

COURSE POLICIES

Grading

Evaluation will be completed and expressed in raw marks throughout the course. Grades (using the letter grading system) will be assigned only to the final distribution of mark totals for the course. Grades will be assigned based on a combination of absolute achievement and relative performance in this class. Grading Rubrics for each assignment will be made available.

Final grades will be assigned as follows:

465-500 A
450-464 A-
440-449 B+
415-439 B
400-414 B-
390-399 C+
365-389 C
350-364 C-
340-349 D+
326-339 D
Below 325 F

Late Assignment Policy

I hope you will appreciate that punctuality and precision are extremely important in your professional life. There might be situations that require accommodations and I will try to make an effort to be flexible. When such accommodations are requested (in writing and with proper notice) I will consider them on a case-by-case basis. In general, if you submit an assignment late I will deduct 10% of the grade if submitted within 24 hours, 20% of the grade if submitted between 25 and 48 hours. After 48 hours I will no longer accept late assignments.

Academic Integrity and Honesty

The University of New Mexico is committed to the highest standards of academic integrity and honesty. Students are expected to be familiar with these standards regarding academic honesty and to uphold the policies of the University in this respect. See “Academic and Classroom Misconduct Process” in the UNM Student Handbook (<http://handbook.unm.edu/section-d/d100.html>). Any student cheating on any exam will be subject to the University of New Mexico policies regarding cheating, as per the honor code, all cheating on exams or the final will result in receiving an F for the course. In addition, the University reserves the right to take disciplinary action, up to and including dismissal, against any student who is found guilty of academic dishonesty or otherwise fails to meet these standards.

Disruptive Behavior

As per the Student Code of Conduct, students who are disruptive may be asked to leave. To ensure a positive learning environment for all, please make sure that your actions do not disrupt the instructor or other students in the class

(<http://pathfinder.unm.edu/campus-policies/student-code-of-conduct.html>)

- Arrive on time and prepared for class. Chronically arriving late is distracting.
- Turn off your cell phone or place ringer on silent. Texting is not permitted during class.
- Listen to the instructor during lectures and other students during discussions. Refrain from off-task conversations that disrupt the learning of yourself and others.

Recording of Lectures

Audio or video recording of lectures, labs, seminars or any other teaching environment by students is allowed only with the prior consent of the instructor or as a part of an approved accommodation plan. Recorded material is to be used solely for personal study, and is not to be used or distributed for any other purpose without prior written consent from the instructor.

ADA Statement

Reasonable accommodation will be given to any individual with a legitimate disability. Please contact the instructor privately for arrangements. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus. Course materials can be made available in alternative formats.

Final Note

The course outline acts as an agreement between the student and the instructor regarding the details of the course. Circumstances might develop, during a term, where a change to the course outline makes sense to all concerned. Such changes shall only occur with fair warning or general class consent.

Criteria for Written Work

Below is the generic template that I use for evaluating written assignments (reflection paper, individual exam, current event presentation, and group project) and for presentations.

- 1) Data
 - a) Are the facts clearly and correctly presented?
- 2) Theory
 - a) Are concepts used from the course to examine the situation?
 - b) Are the concepts used correctly?
 - c) Is the terminology used correctly?
- 3) Creativity
 - a) Did the concepts correctly explain the situation?
 - b) Could a different concept have been used have been more relevant?
 - c) How novel or insightful was the analysis?
 - d) How are issues of implementation dealt with if recommendations are made?
- 4) Written work
 - a) How clear was the writing?
 - b) Are there grammatical mistakes?
 - c) Did the paper comply with page-limits?
- 5) Presentation
 - a) Is multi-media used effectively?
 - i) Slides spelled correctly.
 - ii) No technological glitches.
 - iii) Slides easy to read.
 - b) Did the presentation appear polished?
 - i) How are transitions handled?
 - ii) Proper spoken grammar, tone, and speed.
 - iii) Appropriate "eye contact".
 - iv) Did the presentation comply with time-limits?

COURSE OUTLINE

Day

Topic

August 19

INTRODUCTION TO STRATEGY

- Kim, W. C., Mauborgne, R. 2004. Blue ocean strategy. *Harvard Business Review*, 82(10): 76-84
- Collis, D. J.; Rukstad, M. G. 2008. Can you say what your strategy is? *Harvard Business Review*, 86(4): 82-90
- Martin, R. L. 2014. The big lie of strategic planning. *Harvard Business Review*, 92(1/2): 78-84
- Strategy A view from the top: Chapter 1
- **Class Discussion**
 - Robin Hood (short case will be handed out in class)
- **Syllabus/Live Project Discussion**

August 26

ANALYZING THE EXTERNAL STRATEGIC ENVIRONMENT

- Struyk, T. 2010. For companies green is the new black. Accessible at <http://www.investopedia.com/articles/07/green-new-black.asp>
- Ghemawat, P. March-April 2007. Why the world isn't flat. *Foreign Policy*. Accessible at <http://foreignpolicy.com/2009/10/14/why-the-world-isnt-flat/>
- Delios, A. 2010. How can organizations be competitive but dare to care? *Academy of Management Perspectives*, 24(3): 25-36
- Strategy A view from the top: Chapter 3
- **Class Discussion**
 - Stakeholder analysis (material will be handed out in class)
- **Presentation by Small Business Institute and Live Projects Selection**

September 2

INDUSTRY ANALYSIS

- Porter, M. 2008. The five competitive forces that shape strategy. *Harvard Business Review*, 86(1): 78-93
- Weihrich, H. 1982. The TOWS Matrix-A tool for situational analysis. *Long Range Planning*, 15(2): 54-66
- Strategy A view from the top: Chapter 4
- **Class Discussion**
 - Case: The Pub

September 9

Library presentation by Todd Quinn: Secondary research for your live projects. Team meetings.

Please note that this class will be *in a different location*.

12:30 pm section Zimmerman Library 254

7:00 pm section Zimmerman Library B30

September 16 INTERNAL ANALYSIS

- Ulrich, D. & Smallwood, N. 2004. Capitalizing on capabilities. *Harvard Business Review*, 82(6):119-127
- Strategy A view from the top: Chapter 5
- **Class Discussion**
 - Case: Ducati (A)

September 23 GENERIC STRATEGIES

- Greenwald, B.; Kahn, J. 2005. All strategy is local. *Harvard Business Review*, 83(9): 94-104
- Murray, A.I. 1988. A contingency view of Porter's generic strategies. *Academy of Management Review*, 13(3): 390-400
- Strategy A view from the top: Chapter 6
- **Class Discussion**
 - Competition in the lodging industry (material will be handed out in class)

September 30 COMPETITIVE DYNAMICS

- Ketchen, D.J., Snow, C.C., & Street, V. 2004. Improving firm performance by matching strategic decision-making processes to competitive dynamics. *Academy of Management Executive*, 18(4): 29-43
- Christensen, C. M., Raynor, M., & Verlinden, M. 2001. Skate to where the money will be. *Harvard Business Review*, 79(10): 72-81
- Strategy A view from the top: Chapter 7
- **Class Discussion**
 - Case: Aldi: The Dark Horse Discounter

October 7 COLLABORATIVE DYNAMICS

- Clarke, A. & Fuller, M. 2010. Collaborative strategic management: Strategy formulation and implementation by multi-organizational cross-sector social partnership. *Journal of Business Ethics*, 94(85): 85-101
- Strategy A view from the top: Chapter 8 (pp.170-172)
- **Class Discussion**
 - Case: The alliance of community-based pharmacy owners of Puerto Rico: Challenging competition from US chains

October 14 NO CLASS – TEAM MEETINGS

October 21 *IN CLASS Discussion about Live Projects & Individual feedback to groups*

October 28 CORPORATE STRATEGY & INTERNATIONAL BUSINESS

- Garvin, D. A. & Levesque, L. C. 2008. The multi-unit enterprise. *Harvard Business Review*, 86 (6): 106-117
- Nolop, B. 2007. Rules to acquire by. *Harvard Business Review*, 85(9): 129-139
- Bower, J. L. 2001. Not all M&A's are alike and that matters. *Harvard Business Review*, 79(3): 92-101
- Strategy A view from the top: Chapter 8-9
- **Class Discussion**
 - Guest speaker

November 4 FAMILY BUSINESS STRATEGY

- Fernández-Aráoz, C.; Iqbal, S.; Ritter, J. 2015. Leadership lessons from great family businesses. *Harvard Business Review*. 93(4): 82-88.
- Lansberg, I. 2007. The tests of a prince. *Harvard Business Review*. 85(9): 92-101.
- Stalk, G. & Foley, H. 2012. Avoid the traps that can destroy family businesses. *Harvard Business Review*. 90(1/2): 25-27.
- **Class Discussion**
 - Guest speaker

November 11 *IN CLASS EXAM: Individual case analysis*

November 18 *IN CLASS Discussion about Live Projects & Individual feedback to groups*

November 25 NO CLASS (Thanksgiving Nov 26)

December 2 PRESENTATIONS

December 9 PRESENTATIONS

DATE	TOPIC	TEXTBOOK CHAPTERS	READINGS	CASES/HANDOUTS	ASSIGNMENTS DUE
Aug. 19	Introduction to strategy	Ch. 1-2	Kim & Mauborgne, 2004 Collis & Rukstad, 2008 Roger, 2014	Robin Hood	
Aug. 26	Analyzing the external strategic environment	Ch. 3	Struyk, 2010 Ghemawat, 2007 Delios, 2010	Stakeholder analysis	Team creation and selection of live projects
Sept. 2	Industry analysis	Ch. 4	Porter, 2008 Wehrich, 1982	The Pub	
Sept. 9	Library presentation and team meetings				
Sept. 16	Internal analysis	Ch. 5	Ulrich & Smallwood, 2004	Ducati (A)	Start of current events presentations
Sept. 23	Generic strategies	Ch. 6	Greenwald & Kahn, 2005 Murray, 1988	Competition in the lodging industry	Letter of engagement ready and signed by all parties
Sept. 30	Competitive dynamics	Ch. 7	Ketchen et al., 2004 Christensen et al., 2001	Aldi: The Dark Horse Discounter	
Oct. 7	Collaborative dynamics	Ch. 8 (pp. 170-172)	Clarke & Fuller, 2010	The alliance of community-based pharmacy owners	
Oct. 14	NO CLASS – Team meetings				Scope document for live project due (email or drop in)
Oct. 21	IN CLASS Discussion about Live Projects & Individual feedback to groups				
Oct. 28	Corporate strategy and international business	Ch. 8-9	Garvin & Levesque, 2008 Nolop, 2007 Bower, 2001		
Nov. 4	Family business strategy		Fernández-Aráoz et al., 2015 Lansberg, 2007 Stalk & Foley, 2012		
Nov. 11	IN CLASS EXAM: Individual case analysis				
Nov. 18	IN CLASS Discussion about Live Projects & Individual feedback to groups				Draft of Report should be sent in advance (at the latest November 14)
Nov. 25	NO CLASS (Thanksgiving Nov 26)				
Dec. 2	PRESENTATIONS				Reflection paper due
Dec. 9	PRESENTATIONS				Evaluation of team members & Final report due