

MGT 598: Strategic Management

Spring, 2016

Section 002 (12:30-3:00pm, Graduate School of Management 230)

Section 003 (4:00-6:30pm, Mitchell Hall 211)

Day: Tuesdays

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Office hours: Tuesdays, 10:30 to 11:30 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 (session 002 - 12:30-3:00 class)
<https://cb.hbsp.harvard.edu/cbmp/access/44739536>
- Course packet of cases to be purchased directly from HBS (session 003 – 4:00-6:30 class)
<https://cb.hbsp.harvard.edu/cbmp/access/44740268>
- 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, rubrics and other supporting material/handouts will be made available on UNM Learn. I will upload the powerpoint slides AFTER each class.

RECOMMENDED MATERIALS

Strategy A view from the top (4rd edition), by Cornelis A. de Kluyver and John A. Pearce II, Prentice Hall. 2015.
 The book is in available on reserve at the Parish Library

COURSE REQUIREMENTS	Points
Live Case Consulting Project	225
Written Report	125
Final presentation	75
Evaluation of your team members	25
Individual exams	75
Case analysis 1 (25)	
Case analysis 2 (25)	
In class oral exam (25)	
Current Event Presentation	50
Class contribution	100
Reflection paper	50
Total	500

DESCRIPTION OF COURSE REQUIREMENTS

Live Case Consulting Project

Individuals (with guidelines from the instructor) will work in a group of 4-5 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 12-14 weeks. The teams (and the companies) should expect 3 meetings with their respective organization during the semester.

After an initial meeting (client and team members), the students will prepare an engagement letter that will identify the 2-3 areas they will work on. Please, for each area, provide a paragraph-long description of the strategic issue addressed. Students will communicate/negotiate with the client the scope of the project (with the advice of the professor). On **February 23** we will have a formal check-in of your letters of engagement. By **March 8**, the letter has to be signed by all parties. The copy should be sent electronically to SBI and the professor. Please feel free to discuss aspects of your project with me (don't be shy!).

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

Live Case Report (Final Report and Presentation)

The main delivery of your project is a final report. The final document should be double spaced and can be up to 100 pages (including Appendixes, Figures, Tables etc). 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 recommendations, 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 **May 3** and **May 10**. The document should be sent in printed and electronic copy to the professor at the latest on the date of your final presentation. The schedule of the presentations may change due to availability of the client organizations. Clients will be asked whether they prefer an "open" presentation (with the entire class allowed to attend) or a "closed" presentation (with only the client, the team, and the professor allowed to attend).

SBI is willing to print and bind your final projects on your behalf (2 copies, one for the professor and one for the client) only IF you send them the report ONE week in advance of your presentation. If you are unable to meet this deadline, you will have to print and bind at your expense (no refund will be given).

Evaluation of your Team Members

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 3 members you will have \$30,000 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 brief rationale. This will be due on the day of your final presentation (**May 3 or May 10**). Please send me an email with your evaluation.

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

Current Event Presentation

On **March 8**, you will have the opportunity to present your knowledge about various concepts in the class as they relate to popular media. The presentation should be about Business Strategy principles found in newspapers (e.g., ABQ Business, *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. Students will work individually or in pairs (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.

Individual Exams

There will be *three* individual exams during the term. These exams will be an assessment of your understanding of the tools of strategy and its application to real cases.

Exam 1. Case analysis of The Pub **OR** Ducati (choose one of the two). This exam is worth 25 points.

Exam 2. Case analysis of Aldi **OR** Community pharmacies of Puerto Rico (choose one of the two). This exam is worth 25 points.

Exam 3. Q&A oral exam. Each student will be asked individually to answer 3-5 questions about the material in the class. This is not a written exam. More details will be provided in class. This exam is worth 25 points.

The first two exams should be typed, 1500 words maximum (in addition you can add as many tables and graphs as needed) and due on the day of the discussion (please hand a printed copy in at the **BEGINNING** of class)

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.

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 project”. This is due on **April 26**.

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, PAGE 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.

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. However, attendance is not sufficient to obtain a high grade in participation. I expect that the material will be read prior to coming to class and an active participation in discussions and in-class exercises. Participation will be graded twice during the term. Once at mid-term (on **March 8**) and the other at the end of the term. The final participation grade will be the average of the two grades.

This assignment seeks to achieve the communication skills and 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: ~ 90% and above (A+, A and A-); ~ 80% and above (B+, B and B-); ~ 70% and above (C+, C and C-).

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.

Laptop Policy

Laptops are allowed in this class. You may use them to take notes or read cases and articles. However, if staring at your laptop the entire time of class prevents you from actively participating in discussions, such behavior will (negatively) impact your participation grade.

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 exams, 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
January 19	INTRODUCTION TO STRATEGY

Discussion of Syllabus/Live Project/Rubrics

Readings

- 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 1-2

Class Discussion

- Robin Hood (short case will be handed out in class)

January 26	CORPORATE STRATEGY IN PROFIT AND NON-PROFIT FIRMS
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Readings

- 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
- Bradach, Jeffrey L.; Tierney, Thomas J.; Stone, Nan. 2008. Delivering on the promise of non-profits. *Harvard Business Review*, 86 (12,): 88-97
- Rangan, K. V. 2004. Lofty missions, down-to-earth plans. *Harvard Business Review*, 82 (3): 112-119
- **Presentation of live projects and projects' selection**

February 2	ANALYZING THE EXTERNAL STRATEGIC ENVIRONMENT
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Readings

- Porter, Michael E. & Kramer, Mark R. 2006. Strategy and society. *Harvard Business Review*, 84 (12): 78-92
- Delios, A. 2010. How can organizations be competitive but dare to care? *Academy of Management Perspectives*, 24(3): 25-36
- 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/>
- Strategy A view from the top: Chapter 3

Class Discussion

- Stakeholder analysis (material will be handed out in class)

February 9	INDUSTRY ANALYSIS
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Readings

- Porter, M. 2008. The five competitive forces that shape strategy. *Harvard Business Review*, 86(1): 78-93

- Wehrich, 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

February 16 INTERNAL ANALYSIS

Readings

- 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)

February 23 Library presentation by Todd Quinn: Secondary research for your live projects. Formal check-in of letters of engagement.

Please note that this class will be *in a different location* (details will be provided).

March 1 GENERIC STRATEGIES

Readings

- Ryans, A. 2010. The high stakes of low-cost competition. IESE-Insight Magazine.
- MacMillan, I. C., & McGrath, R. G. 1997. Discovering new points of differentiation. *Harvard Business Review*, 75, 133-145.
- Kim, W. C., Mauborgne, R. 2004. Blue ocean strategy. *Harvard Business Review*, 82(10): 76-84
- Strategy A view from the top: Chapter 6
- **Class Discussion**
 - In class exercise

March 8 CURRENT EVENT PRESENTATIONS AND IN-CLASS TEAM MEETINGS

March 14 NO CLASS – Spring Break

March 22 COMPETITIVE DYNAMICS

Readings

- 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

March 29 COLLABORATIVE DYNAMICS

Readings

- Bower, J. L. 2001. Not all M&A's are alike and that matters. *Harvard Business Review*, 79(3): 92-101
- Kumar, R. (2014). Managing ambiguity in strategic alliances. *California Management Review*, 56(4), 82-102.
- 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

April 5 INTERNATIONALIZATION STRATEGY

Readings

- Greenwald, B.; Kahn, J. 2005. All strategy is local. *Harvard Business Review*, 83(9): 94-104
- Strategy A view from the top: Chapter 8-9
- **Class Discussion**
 - Guest speaker

April 12 FAMILY BUSINESS STRATEGY

Readings

- 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

April 19 IN CLASS EXAM

April 26 TEAM MEETINGS IN CLASS

May 3 FINAL PRESENTATIONS

May 10 FINAL PRESENTATIONS

DATE	TOPIC	TEXTBOOK CHAPTERS	READINGS	CASES/HANDOUTS	TO GET DONE
Jan. 19	Introduction to strategy	Ch. 1-2	Collis & Rukstad, 2008 Roger, 2014	Robin Hood (handout in class)	
Jan. 26	Corporate strategy in profit and non-profit firms		Garvin & Levesque, 2008 Nolop, 2007 Bradach et al., 2008 Rangan, 2004		Team creation and selection of live projects
Feb. 2	Analyzing the external strategic environment	Ch. 3	Porter & Kramer, 2006 Delios, 2010 Struyk, 2010 Ghemawat, 2007	Stakeholder analysis (handout in class)	
Feb. 9	Industry analysis	Ch. 4	Porter, 2008 Wehrich, 1982	The Pub	Case analysis 1 due (if chosen)
Feb. 16	Internal analysis	Ch. 5	Ulrich & Smallwood, 2004	Ducati (A)	Case analysis 1 due (if chosen)
Feb. 23	LIBRARY PRESENTATION and FORMAL CHECK-IN OF LETTERS OF ENGAGEMENT				
Mar. 1	Generic strategies	Ch. 6	Ryans, 2010 MacMillan & McGrath, 1997 Kim & Mauborgne, 2004		
Mar. 8	CURRENT EVENT PRESENTATIONS and IN-CLASS TEAM MEETINGS				
					Letters of engagement signed and sent to SBI
Mar. 14	NO CLASS – Spring Break				
Mar. 22	Competitive dynamics	Ch. 7	Ketchen et al., 2004 Christensen et al., 2001	Aldi: The Dark Horse Discounter	Case analysis 2 due (if chosen)
Mar. 29	Collaborative dynamics	Ch. 8 (pp. 170-172)	Bower, 2001 Kumar, 2014	The alliance of community-based pharmacy owners	Case analysis 2 due (if chosen)
Apr. 5	Internationalization strategy	Ch. 8-9	Greenwald & Kahn, 2005	Guest speaker	
Apr. 12	Family business strategy		Fernández-Aráoz et al., 2015 Lansberg, 2007 Stalk & Foley, 2012	Guest speaker	
Apr. 19	IN CLASS EXAM – Q&A				
Apr. 26	TEAM MEETINGS IN CLASS				
					Reflection paper due
May 3	FINAL PRESENTATIONS				
					Peer evaluation and final report due
May 9	FINAL PRESENTATIONS				
					Peer evaluation and final report due