COURSE DESCRIPTION

In this course we will take the view of the general manager, focusing on the single-business firm. Through the examination of historical perspectives and current theories, and especially through practical applications via case analyses, we aim to help students develop a broad understanding of strategic issues and principles and to hone their skills in tackling real business problems.

Whether it is the leader of Asahi considering a radical increase in manufacturing capacity to seize the advantage of a popular new beer they’ve invented, or the leaders of Crown Cork struggling in a mature industry in which margins are being squeezed by both customers and suppliers, or the managers at Pandora trying to craft a successful business model for a new and disruptive service, we will apply the relevant theory and best practices to generate, evaluate, and choose among potential solutions.

The course seeks to integrate knowledge, theory, and experience from many parts of the MBA curriculum, e.g. Finance, Organizational Management, Marketing, and Operations. As our text author, Grant, says, “Strategic (management) is about winning…. It is (the) unifying theme (my italics) that gives coherence and direction to the actions and decisions of an … organization.”

Our era is marked by high-speed, almost-constant change: Changes in markets, in technology, in society, and in geo-politics. In this environment, problems to be solved are dynamic and multi-dimensional. Many companies struggle to keep pace; others exploit change to produce extraordinary value and wealth. It is frequently the successful crafting and executing of business strategy that explains the difference.

COURSE MATERIALS

Textbook


Package of Harvard Cases and Papers

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<th>ORDER NUMBER</th>
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### PARTICIPATION -- 20%

**In-class participation (15%).** This course will feature substantial classroom discussion -- of cases, of the readings, and of the concepts. Your active participation is required for you to get the most out of the course. Further, each of you owes it to your classmates to participate fully. It will be from the sharing of thoughts, experiences and perspectives that you all will benefit. The ability to present ideas and solutions and to defend them persuasively is an important factor in a manager's success in the business world. Class discussion provides an opportunity to gain experience in this valuable skill in a safe and supportive environment. It goes without saying, that attendance is mandatory. Missing multiple classes will negatively impact your grade.

**Team case preparation participation (5%).** Each student will evaluate each member of his/her study team on his/her contributions to the case analyses. Evaluations will be strictly confidential. Each team member will be scored on a 5-point scale by all other members of his/her group. An evaluation form will be provided by the instructor.

### CASE ANALYSES -- 25%

Each Study Group will be assigned two cases for analysis. [Optionally, a 3d case may be done and the grade will then be computed using the two best case grades.]

Note: Initial Case Assignments:
All study groups are assigned the Asahi Brewery case (see below) which is due during the week in
residence. Written case analyses for this case must be emailed to me before our meeting on 9/12. See
below for discussion of the contents of the written case analysis as well as the responsibilities associated
with being assigned a case.

It will VERY HELPFUL (but not mandatory) if each team emails me a draft of their Asahi case report
WELL BEFORE the week in residence. The quality of the draft will NOT affect the final case report
grade. I will try to return all drafts with detailed comments that you can use to tune your actual case
submission. The EARLIER you get the draft to me the better the chance that I can get detailed comments
back to you in time for you to do editing. If time permits, I typically spend about a half-day on each draft.
Clearly if many drafts come in only a few days before WIR, I will not be able to do a quality job.

Case analysis assignments for the remaining cases will be discussed and finalized at the first meeting of
the class. We will try to honor your preferences.

The primary way we will attack cases is through a broad ranging class discussion in
which we hope everyone will participate. In most instances there are no right and wrong answers, so there
is no reason to be shy. We get the most out of these discussions by sharing and hearing different views on
the issues that are raised by the cases. (This is the Harvard Case Method.) So, everyone needs to read
every case and be prepared to answer the assignment questions during the class discussion. We will help
reticent students by calling on them to share their insights. (Case assignment questions appear at the end
of this Syllabus.)

Each team assigned a case has the following responsibilities for that case:

1) Write a CASE REPORT. The Case Report must be emailed to me before the start of the class
during which the case is to be discussed. (See schedule below for schedule of cases.) It should
be 8-11 pages in length (single-space, 12-point font). This report is relatively short, so precision
of thought and crispness of argument are essential.

   The Case Report must include the following 4 parts:

   (a) Introduction:
       The Introduction should be one page or so. It describes what the case is about, gives
       the important elements of the history of the situation, and specifies the key problem
       or issue of the case, e.g. what decision has to be made by which manager.

   (b) Answers to the Questions for study
       The questions for each case appear at the end of this Syllabus. (This is the bulk of
       the report.)

   (c) Lessons Learned
       This section has two sub-sections:

          1. List the most important learnings from the case. The learnings should be
             generalized with respect to leading and operating a business, not simply
             an outcome for the firm under study. Try to write about these learning
             using the name of the firm and its managers as little as possible. This
             subsection should be one page or less.
          2. Pick the 2 most important learnings from your list above. For each of
             these write a) Why the learning is important for you and in particular
             why it is more important than those in your list not chosen, and b) How
the learning was illustrated by the case or your analysis process. The write-up for each of the learnings should take from a half to a full page. This part of the report is VERY IMPORTANT.

2) Except for the first case, Asahi, we ask the teams assigned the case to sit in the front of the classroom. We will ask one person from the assigned team(s) to do what we call a case setup. This is a 5-minute or less talk about the factual surround of the case and includes especially a description of the central problem or argument of the case. Do NOT answer the case questions during this talk. You can use PowerPoint or not as you see fit.

3) During the class-wide case discussion that follows the setup, members of the assigned teams will be expected to participate prominently and insightfully. We will typically call on members of the assigned teams to start, critique, or summarize the discussion.

Tips:

1) Please do NOT do any research for the cases. All the information you need is contained in the case itself. In fact, please do not bring in any information about the case you may have from any source outside of the case into the write-up or discussion. At the end of each case discussion, we will devote some time to discuss any additional information, e.g. what happened after the time of the case, how has the firm in the case done, etc. That discussion will not be graded.

2) When we ask what an executive or consultant should do, be decisive. Say explicitly what you would do in that individual's place. In most instances, avoid answers like, "if appropriate, Ms. X should...," "Mr. Y might want to study ....," or "Ms. Z should consider either alternative A or B." In my view, the outcome of Analysis is action. You need to think in terms of what you would DO!

3) If the team assigned a case cannot agree on the answer to a question, write both (or more) opinions, but be sure to defend both, and write why agreement could not be reached.

4) Write as much of the report in your own words as possible. If you must quote from the case, the text, my lectures, or any other source, be sure to use quotation marks and footnote the source. RUTGERS UNIVERSITY RULES ON PLAGIARISM BY GRADUATE STUDENTS ARE VERY SEVERE, POTENTIALLY INVOLVING SUSPENSIONS AND EXPULSIONS.

5) Teams typically assign the questions to be answered to various team members. It is very important that everyone read everyone’s contribution to the report in order to insure consistency between answers and so that everyone on the team is prepared to answer any question during class discussion. In other words, do NOT just collate the individual text contributions. An edit of the entire paper is necessary and everyone should participate in that.

6) The case write-up is a place to show off your insight into the situation, the clarity of your vision, and your approach to execution. Not that grades are so terribly important, but top grades on case write-ups only go to reports that show real insight.

Examinations -- 55%

Both the Midterm and the Final will be approximately 1.75 hours and will be a mixture of multiple choice questions, short essays, and possibly a graphical-analytic question or two. The objective of the exam is to assess the students' familiarity with and understanding of theories, issues, and principles that are central to the strategic management process or discipline. You are responsible for all material covered in class as well as the assigned text, readings, and cases, whether or not we have discussed them in class. Each exam will count equally toward the course grade.
Course requirements include two exams – a Midterm and a Final, team case report preparations, and class participation.

Management (22:620:622)

COURSE SCHEDULE

Session 1 (9/9/13)

Themes: What is Strategy?

The distinctions between corporate strategy and business strategy

The Yin and Yang of Strategy: Looking outward and inward simultaneously

Linkages between Strategy formulation and implementation

Strategic Differentiation: Doing different things or doing things differently

The Importance of making strategic tradeoffs

Business Architecture as the key to successful Business Strategy

The “Growth Trap”

The debate between Business Models/Systems and Core Competencies

(We will also go over the class and study team organization; case assignments; expectations and grading; etc.)

Reading: Grant: Chapter 1


Session 2 (9/12/13)

Themes: The goals of strategy: Performance of the Firm

The Balanced Scorecard

The DuPont Equation

Turnarounds as a class of strategic problems
The importance of tracking and anticipating socio-economic and technological changes as well as those of taste
Leadership as a critical element in strategy
Culture and Strategy
Cannibalization: Who eats whose business for lunch?
Investment decisions, costs, market share and profitability – first thoughts
Defining and analyzing the external environment
The nature and sources of Competitive Advantage
Cost and Differentiation as generic strategies
Assignments: Grant: Chapters 2 and 7
Case: Asahi Breweries

**Session 3 (9/28/13)**
Themes: The rationalist/design approach to strategy vs. the learning/behaviorist approach
Is planning worth anything?
Strategy and Industry Evolution/Life Cycle
Managing strategic change
The sources of organizational inertia
Assignments: Grant: Chapter 8
Case: Mintzberg, “The ‘Honda Effect’ Revisited”

**Sessions 4 (10/12/13)**
Themes: Industry attractiveness and Porter’s five forces
Exploiting differences between firms to produce competitive advantage
Using industry structure analysis as input to Strategy formulation
The notion of Key Success Factors
Competitive Analysis
Integrating forward and backward
The impact of industry consolidation
Differentiation: The role of social trends, image, and brand
Generating strategic options
The value of sometimes “sticking to one’s knitting.”
Assignments: Grant: Chapters 3 and 4  
Case: Crown Cork and Seal in 1989

Sessions 5 (10/19/13)
Themes: Strategy and the Internal Environment  
Resources and Capabilities as a/the source of Competitive Advantage  
Value Chains  
Resources and Capabilities as a/the source of Competitive Advantage (CA)  
The nature of Services businesses  
Strategy for Not-For Profits  
Growth: Why do we want it? What decisions do we have to make to get it?  
Competitive Advantage and Innovation  
What business are we in? How specific must we be in answering? Why?  
Tools for prioritizing growth opportunities

Assignments: Grant: Chapter 5  
Case: Cleveland Clinic

Sessions 6 (11/2/13)

MIDTERM EXAM, followed by:

Themes: Planning and leading Turnarounds of troubled businesses  
Turnarounds as a class of strategic problems -- expanded  
A real-world business turnaround example

Assignment: Study for the Midterm

Sessions 7 (11/16/13)
Themes: Strategies for Mature and Declining industries: You can make a lot of money in the endgame  
Strategy and the Internal Environment  
Distribution optimization  
Attacks from low-cost providers  
Branding and Segmentation
The strategic theory of niche providers

Strategic problems for the differentiator
Share vs. Profitability: The “standings” in an industry

Assignments: Grant: Chapter 10
Case: Steinway & Sons: Buying a Legend

Sessions 8 (11/22/13)
Themes: Technology-based industries: Managing and exploiting innovation
Understanding technological evolution and its impact on strategy and profitability
Discontinuous technological change: Offense and Defense – Implications for organizational design
Disruptive vs. Sustaining Innovations: Implications for incumbent leaders and new entrants
Managing even without a crystal ball

Assignments: Grant: Chapter 9
Case: Hewlett-Packard: The Flight of the Kittyhawk (A)

Sessions 9 (11/23/13)
Themes: The special strategic issues for the start-up firm
Business Models, Value Propositions, and start-up firms in the digital age
The impact of scale advantages on growth/profitability strategies
Network effects in strategy
“Multi-sided platforms” as a strategic concept
Funding decisions at the beginning of the growth phase
Relationships between funders and founders in start-ups

Assignments: Johnson, et al., “Reinventing Your Business Model”
Case: Opening Pandora’s Box

Sessions 10 (12/7/13)
**FINAL EXAM**, followed by:

Themes: The match of culture to the environment

Performance metrics and compensation issues: How much of a driver of success?

The importance of *style* in management communication

Speed as a vital dimension of strategy, i.e. how fast to introduce change

Assignments: Case: Atchison Corp (A) [This is a short case that can be read during the coffee break in class]