

Management
Course Number: 22:620:679
Course Title: Corporate Strategy

COURSE DESCRIPTION

The Corporate Strategy Course deals with the organizational and leadership challenges/choices facing multi-business firms. The course provides students with a unique perspective on how corporations formulate a vision and develop strategies to allocate resources and create synergies across their portfolio of businesses. In this course, you will discuss practical and field-tested methods that corporate leaders use to achieve sustained results. Using the case study method, you will examine strategies of successful and failed corporations. Executive guest speakers will be invited to our classroom to discuss their corporate strategy perspectives.

COURSE MATERIALS

1. **Text:** Campbell, A., Whitehead, J., Alexander, M and Goold, M (2014) *Strategy for The Corporate Level* New York: J. W & S.
2. **Second course book:** Denny Strigl, Frank Swiatek, *Managers, Can You Hear Me Now?* McGraw-Hill, 2011. This book is available at the Newark Campus Bookstore.
3. **Case studies:** A course packet is available for on-line purchase from the Harvard Business School Publishing Website at the following link: <https://hbsp.harvard.edu/import/675462>
4. **There will be two additional cases:** CEMEX (copy under Canvas's Course Documents), and *Are you sure you have a strategy? By Donald C Hambrick; James W Fredrickson (search for this free article on line)*

COURSE OBJECTIVES

At the end of this course, you should be able to:

1. Identify methods used by multi-business corporations to create value between and among their business entities.
2. Foster an appreciation of the external forces that influence and shape the business manager's job in the corporate context.
3. Choose among the various buy, build, and borrow strategies and know the advantages and disadvantages of each.
4. Describe what corporations do to keep their strategies relevant and profitable.
5. Discuss and solve numerous challenges and issues currently facing many multi-business organizations.
6. Understand the role that a business' culture plays in determining its strategic success.

7. Utilize management concepts discussed in the course to enhance your executive & business acumen.
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ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

GRADING POLICY

CASE ANALYSIS AND DISCUSSION LEAD: 20%

Class participation is critical to the learning process in this course. Each individual's contribution will be evaluated on the quality of his or her preparation and participation.

Responsibilities:

During the course of the semester, **students will lead the analysis and discussion of one case.** Students will be responsible for:

1. Creating the study group and selecting the case from the Course Schedule. Cases will be granted on a first come/first served basis.
2. Informing the professor of the Group teammates’ names & Case selection via e-mail.
3. The case analysis must include, at a minimum, the following three parts:
 - a. Introduction: It should describe what the case is all about.
 - b. Case questions: The analysis must include answers to questions listed for each Case under Course Details and Itinerary.
 - c. Lessons Learned: Each analysis must include three learnings. Reach team consensus as to which one of three is the most important and explain why.
4. A maximum of four (**cover page +3**) PowerPoint slide presentation will be allowed.
5. Teams will have **10 minutes** to present their analysis and **20 minutes** of audience Q&A.
6. Please **do NOT do any research for the cases.** All the information you need is contained in the case itself.

Notes:

1. Grades will depend on the team members’ ability to lead a discussion, class engagement, and on the team’s demonstrated capacity to analyze and think about the case information.

2. Students not leading the particular case in discussion should note that their participation grade requires detailed preparation and engagement while in session. The difference between discussion leading students and non-discussion leading students is that the former is in front of the room guiding the discussion while the latter is listening, participating, responding to questions, and asking their own questions in regards to the discussion.
3. If absent when the case is scheduled, students(s) will receive no credit for this assignment.

GROUP PRESENTATION: 20%

In March, the class will be divided into several small groups of students. Each group will be assigned one of three corporate growth strategies, **Buy, Borrow, or Build**. Each group will develop a presentation based on its assigned strategy including an actual corporate success, or failure, and present to the class. Class members will be given an opportunity to question and challenge presenters. Poor or noncontributing team members will be subject to receiving partial or no credit. We will discuss specific details including grading criteria while in session.

SOLVE THE STRATEGIC PUZZLE: 10%

Individual Assignment: Arrange “building Blocks” into an order that you think makes sense. If you believe that some activities should happen concurrently, build your model that way. Each student is responsible for submitting their individual assignment no later than Q **Team Assignment:** Discuss/defend your individual decisions to collectively identify your group’s arrangement. Team assignment must be submitted results no later than Q

Work needs to be submitted via email to the following address: [Q](#)

EXAMINATIONS: 50% (midterm & final, 25% each)

There will be a written Midterm and a Final test (Sessions 7 and 14 respectively). Please refer to the schedule section of this syllabus for dates. Each test will cover reading assignments, assigned cases and classroom discussions. The format will include multiple choice, true-false, fill-in-the blank and short answer. Students 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.

GRADE RANGES

A = 95 - 100, **A-** = 90 - 94.99,

B+ = 87 - 89.99, **B** = 84 - 86.99, **B-** = 80 - 83.99

C+ = 77 - 79.99, **C** = 74 - 76.99, **C-** = 70 - 73.99

D = 60 - 69.99, **F** = >60

CLASS GUIDELINES

1. **Be here and now**, class discussions are critical for your learning and your success. Class attendance is mandatory. Should you miss a class, it will be your responsibility to find out what material was covered and what assignments may be due from classmates. Please notify me **in advance** if you will be unable to attend a class. No call / no show will result in losing points towards your final grade. Emergency situations will be treated on a case-by-case basis, yet you are responsible for contacting me after the emergency.
2. **If you miss** a test or quiz, you will not be permitted to take a make-up except in an extreme circumstance to be determined by professor.
3. **Efficient and effective use of class time**. This includes arriving, starting and concluding on time.
4. **Written assignments** are due on the date specified. **Late submissions will not be accepted** except in an extreme circumstance to be determined by professor.
5. **Be courteous and mindful while in class and avoid disruptions**. This includes use of electronic devices of any kind and/or eating during class.
6. **Check Canvas** for important announcements (i.e. I often post notes/questions to assist you in your pre-class preparation for all assigned case work one week to that session and/or after a class)
7. **Academic and personal integrity**. Zero tolerance, you should cite all external sources of information fully and completely. Violators of academic integrity will be penalized and reported to University authorities.

COURSE SCHEDULE

Instructor reserves the right to adjust this schedule as necessary. Adjustments will be announced in advance.

TEXT KEY: * Campbell, A., Whitehead, J., Alexander, M and Goold, M (2014) <i>Strategy for The Corporate Level</i> New York: John Wiley & Sons. ** Strigl, D., Swiatek, F. (2011). <i>Managers, Can You Hear Me Now?</i> New York: McGraw-Hill		
Date	Topic	Case & Task
Session 1	Ch1 & 2* - History & Introduction to Corporate Strategy Two primary areas C.L.S. should relate to Three Logics that drive CLS	<i>Are you sure you have a strategy?</i> <i>Donald C Hambrick; James W Fredrickson.</i>
Session 2	CH3* - How to Find Good Business and What To Avoid The Business Attractive matrix Ch4* - How To Make Business More Successful	<i>Kodak and the Digital Revolution.</i> <i>The Heartland matrix</i>
Session 3	Ch5 * - How to Buy Low & Sell High Ch6* - Making Decisions about Where to Invest and What to Avoid. Fair Value matrix	<i>Sodexo on Smart Diversification.</i>
Session 4	Ch7* - Ten Sources of Vertical Value Ch8* - Nine Sources of Horizontal Value Exercise: Bad News in Period 4	<i>CEMEX, creating an unbeatable edge in the commodities space</i>
Session 5	Ch9* - Eight Ways Corporate Can Destroy Value Ch10* - How to ID Sources of Added Value	<i>L'Oréal Expansion in China, with a focus on expansion strategy.</i>

Session 6	Successful Corporate Strategies Growth Strategies Project Specifications Review: Logistics and Guidelines.	<i>Singapore Airlines' Balancing Act.</i> <i>Alexa: A Pandora's Box of Risk</i>
Session 7	Growth Strategies Project Create Groups Midterm Written Exam: Sessions 1 through 6	
Session 8	Developing A Corporate Strategy - Ch12 (Canvas) Growth Strategy: Select a firm according to your respective team assignment, conduct the necessary research and analyze/	<i>Tata Group, on corporate or parenting advantage</i>
Session 9	Growth Strategies Project based on: Buy/Borrow/Build framework Group Analysis and Presentations	
Session 10	Ch1, 2 & 3** The link between corporate strategy and culture will be introduced.	<i>Samsung Electronic Company (SEC), becoming a "Tier-one" company.</i>
Session 11	Ch4, 5 & 6** The importance of accountability and results to achieving strategic goals.	<i>Zhujiang Iron and Steel Company.</i> <i>With focus on strategy implementation.</i>
Session 12	Ch7, 8 & 9** The relationship between Corporate Strategy success and Corporate Culture.	<i>Tea and Sustainability at Unilever:</i> <i>Turning Over a New Leaf.</i>
Session 13	Individual and Group Exercise: Solve the strategic puzzle	
	Individual assignment must be submitted no later than <u>Q</u>	Team assignment must be submitted no later than <u>Q</u>
Session 14	Course conclusion, Q&A and Final Exam Group Activity: Analyze, critique and discuss a real life case of corporate strategy/business plan.	Final Exam: Sessions 7 through 14

NOTE: Follow the Course Schedule on page 5

Instructor reserves the right to adjust this schedule as necessary.

Adjustments will be announced in advance.

COURSE DETAILS & ITINERARY

Session 1:

Pre-class assignment: CH1* and 2* History and Introduction to Corporate Strategy

Case: *Are you sure you have a strategy?* Donald C Hambrick; James W Fredrickson^{[1][2]}

Classroom: 1. Introductions, 2. Class requirements, 3. Discussion of reading assignments, 4.

Q&A.

Session 2:

Pre-class assignment: CH3* - How to Find Good Business and What To Avoid and CH4* - How To Make Business More Successful - The Heartland matrix

Case: *Kodak and the Digital Revolution.* As you analyze this case, consider the following questions:

1. Evaluate Kodak's strategy in traditional photography. Why was the company so successful for so long?
2. Evaluate Kodak's response to Sony's introduction of the Mavica in 1981. Was it appropriate?
3. How do you assess Fisher's attempt to transform Kodak? Why did it fail?

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during past week, 2. Discussion of reading assignment and assigned case, 3. Q&A.

Session 3:

Pre-class assignment: CH5* - How to Buy Low & Sell High and CH6* - Making Decisions about Where to Invest and What to Avoid

Cases: *Sodexo on Smart Diversification:* Please consider the following questions:

1. Identify pros & cons of Sodexo's strategic move.
2. What should Sodexo do to make sure its people/processes/culture could anticipate & deal with the next challenges?
3. What would you have done differently?

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during the past week, 2. Discussion of reading assignment and in-depth discussion of assigned case, 3.

Q&A.

Session 4:

Pre-class assignment: CH7* - Ten Sources of Vertical Value and CH8* - Nine Sources of Horizontal Value

Exercise: Bad News in Period 4

Case: *CEMEX, creating an unbeatable edge in the commodities space.* Please consider the following questions (see following page)

1. What was the initial paradigm shift CEMEX was confronted with and how did CEMEX neutralize its adverse impact?
2. What are CEMEX's distinct capabilities?
3. What is CEMEX's value creation proposition? Please describe 4. What steps did CEMEX take to absorb international growth?

5. What is the prevailing culture in CEMEX and its primary drivers?

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during the past week, 2. Discussion of reading assignment and assigned case, 3. Q&A

Session 5:

Pre-class assignment: CH9* - Eight Ways Corporate Can Destroy Value CH10* - How to ID Sources of Added Value

Case: *L'Oréal expansion in China*. This is a strategy and management case, with a focus on expansion strategy. The underlying conceptual framework of the expansion strategy includes the choice of expansion modes, such as acquisition and merge, internal development, alliances, and strategic brand management. Please be sure to include the following questions in your case analysis:

1. What were the factors driving L'Oréal to initiate the two acquisitions at the end of 2003?
2. Analyze L'Oréal's brand portfolio management structure in China and the positive and negative effects of the acquired brands on the current brands.
3. According to the situation in China's cosmetics market, assess the path to acquisitions led by L'Oréal and its future development strategy.
4. Define the merits and demerits associated with a variety of expansion modes, and analyze the types of companies that use certain strategies to gain better results.

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during the past week, 2. Discussion of reading assignment and discussion of assigned case, 3. Q&A.

Session 6:

Successful Corporate Strategies Pre-class assignment:

Case: *Singapore Airlines' Balancing Act*. This case reveals SIA's successful execution of a dual strategy of differentiation and cost leadership by offering world-class service and being a cost leader. Consider the following questions as you analyze the case:

1. Can pursuing dual strategies be profitable and sustainable over a long period of time?
2. What were/are SIA's strategic paradoxes and how did its executives manage these four paradoxes?
3. What rationale did SIA follow when allocating resources?
4. What type of benefits did SIA's centralized & decentralized approach brought to the airline company?
5. Please help the audience understand how SIA allocated their resources.

Case: *Alexa: A Pandora's Box of Risk*. This case demonstrates the relevancy of consumer benefits and risks of an information product; the risks of an information product to the company that sells and supports it; options to manage risks and analyze the benefits and drawbacks of each; the importance of

privacy, particularly related to data custodianship, data confidentiality, and cyber safety. Consider the following questions as you analyze the case:

1. Which of the risks posed by Alexa are the greatest threats to Amazon and Alexa users?
2. What could—and should—Amazon do to ensure the security of its devices and its customers' data? How much responsibility should the company accept when security breaches occur?
3. Some parents and educators are concerned that easy access to Alexa's AI might harm children's development. Should Amazon take action to address this concern?
4. How can Amazon improve the monetization of Alexa?
5. Create a risk management framework and a risk response protocol that Amazon could use for crises related to Alexa.

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during the past week, 2. Discussion of reading assignment and discussion of assigned case, 3. Q&A.

Session 7: Midterm Written Exam (Sessions 1 through 6)

Growth Strategies Project Specifications review: Logistics and Guidelines

1. Include pertinent points from the reading that executives need to know before deciding to **buy, borrow, or build** including advantages, disadvantages, and issues. (To the extent possible be specific on when, where, and how.)
2. Present an actual, or real life, example of a corporation's success or failure to use your group's assigned method of obtaining targeted resources, i.e., **buy, borrow or build**. Focus on why and how the company made its decision. (To the extent possible, present specific criteria and results used to determine success or failure.)
3. Build your presentation with no more than 10 PowerPoint slides.
4. Be clear and concise. Allow for more than one person to present.
5. Each team will have 15 minutes to present. There will be a 10-minute Q&A.

Session 8:

Pre-class assignment: Chapter 12 Developing A Corporate Strategy (Posted on Canvas)

Growth Strategy Project: Select a firm according to your respective team assignment, conduct the necessary research and analyze/organize findings.

Case: *Tata Group, on corporate or parenting advantage*. Please address the following as you prepare your analysis:

- What are the mechanisms by which the Tata group added value to its group companies?
- What are the differences, if any, between the way the Tata group adds value and the way a multibusiness conglomerate such as GE adds value?
- Should the approach to the creation of corporate advantage by a business group differ based on:
 - a) The level of related/unrelated diversity of the mix of businesses in the group; and
 - b) The relative development of the institutional environment in the country? If yes, how?

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during the past week, 2. Discussion of reading assignment and discussion of assigned case, 3. Q&A.

Session 9:

Growth Strategies Project based on Buy/Borrow/Build framework

Group Analysis and Presentations: The entire session will be devoted to group presentations - each group will have 15 minutes to complete presentation. A 10-minute Q&A from fellow students will follow.

Session 10:

Pre-class assignment: Chapters 1, 2 & 3 The link between corporate strategy and culture will be introduced.**

Case: *Samsung Electronic Company (SEC), becoming a "Tier-one" company.* This case study takes students through Samsung's three-decade transformation from a small original equipment manufacturer (OEM) producer of generic TV sets to a giant in numerous product categories, from components (such as LCD displays) to universal consumer devices (such as cell phones). As you read this article, be sure to address the following questions:

1. What are the strengths and weaknesses of the company in 2006?
2. How does SEC illustrate the advantages/disadvantages of a centralized design organization?
3. What is digital convergence and why does Samsung believe it's in a position to exploit this phenomenon?
4. What were the strategic imperatives that enable SEC to obtain a "Tier One" status.
5. What strategic direction must SEC take that will lead Samsung to the next level?

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during the past week, 2. Discussion of reading assignment and discussion of assigned case, 3. Q&A.

Session 11:

Pre-class assignment: Chapters 4, 5 & 6 The importance of accountability and results to achieving strategic goals**

Case: *Zhujiang iron and steel company.* This case provides a detailed description of the process of strategic management, particularly strategy implementation, at Zhujiang Iron and Steel Company (ZISCO)--a Chinese state-owned enterprise. As you analyze this case, please be sure to include answers to the following questions:

1. What is ZISCO's dominant approach in implementing strategy?
2. How is the strategy shaped by previous strategic actions and how does it subsequently share and guide strategic behaviors at ZISCO?
3. What are the characteristics of implementing value creation strategy at ZISCO? Can these characteristics be different from those in implementing a functional strategy, such as marketing strategy?
4. Why is the cultural change at ZISCO important to its strategy implementation? What relationship(s) does it have with strategy content?

5. How would you like to take up the challenges described in the case if you were the president of ZISCo?

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during the past week, 2. Discussion of reading assignment and discussion of assigned case, 3. Q&A.

Session 12:

Pre-class assignment: Chapters 7, 8 & 9 The relationship between Corporate Strategy success and Corporate Culture.**

Case: *Tea and Sustainability at Unilever: Turning Over a New Leaf.* This case focuses on corporate sustainability, sustainable entrepreneurship, marketing sustainable consumer products, and potential impact to profitability.

1. Is there a first-mover advantage for Unilever in implementing sustainably sourced tea? Or, would Unilever be paving the way for its competitors to sustainably source tea? [L] [SEP]
2. How would consumers respond to sustainable tea? Would Unilever gain market share by winning over the customers of competitors, or would Unilever grow the tea market? [L] [L] [SEP] [SEP]
3. How would the change to sustainably harvested tea affect the larger Unilever brand? Would Lipton's sustainable tea create an expectation among consumers that all of Unilever's products are sustainable? [L] [SEP]
4. What contingencies (if any) should Leijnse build into the sustainable tea plan? If consumers do not respond to the changes as expected, how will Unilever respond? [L] [SEP]
5. How could sustainability be implemented throughout the Unilever organization?

Classroom: 1. Brief discussion of any major Corporate Strategy events occurring during the past week, 2. Discussion of reading assignment and discussion of assigned case, 3. Q&A.

Session 13:

Individual and group Assignment: Solve the Strategic Puzzle

Individual assignment must be submitted no later than Q

Team assignment must be submitted no later than Q

NOTE: Work needs to be submitted via email to the following address: ()

Session 14: Final Written Exam (Sessions 7 through 14)

Pre-class assignment: Come prepared to share and engage with fellow students on relevant issues learned during the second half of our course.

Course conclusion/Q&A

SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office

of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu>.

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of *mental health* services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]