

**MBA P720  
Strategic Management  
WINTER 2016 Course Outline Section**

**Strategic Management Area  
DeGroote School of Business  
McMaster University**

**COURSE OBJECTIVE**

As the capstone to McMaster's MBA program, this course is designed to unify your learning experience at the School of Business. This course builds on your previous learning, and acts as a stepping-stone to the real world of business.

The purpose of this course is to enhance your ability to do the job of a general manager responsible for strategic performance. Specifically, to **integrate** the different functional areas of business (e.g. accounting, finance, human resources, information systems, marketing, operations management, etc.) into a cohesive whole. The challenge is not only in identifying weaknesses and threats facing firms we will study, but to appreciate the strengths of the firm and anticipate opportunities in the external environment. As an MBA student in this course, your goal should be to draw upon course learning, as well as applying your previous business experience, to think beyond the role of any given functional area.

**Learning Objectives**

- To provide an integrative framework that will allow students to synthesize knowledge from other business courses into a comprehensive understanding of **competitive advantage**.
- To provide a basic understanding of the nature and dynamics of the **strategy formulation and implementation processes** as they occur in complex organizations.
- To encourage students to think critically and strategically.
- To develop the ability to identify strategic issues and design appropriate courses of action.

**INSTRUCTOR AND CONTACT INFORMATION**

**Section CO1: Mon. 14.30 – 17.20 PM**  
**Section CO2: Wed. 8.30 – 11.20 AM**  
**Section CO3E: Mon. 19.00 – 22.00 PM**

**Peter F. Johnson, [pfjohns@rogers.com](mailto:pfjohns@rogers.com)**  
**Office: RJC 221, Office Hours: by appointment**

**Course Website: <http://www.avenue.mcmaster.ca>**

## COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
Avenue:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	Yes	Final Exam:	Yes	:	

## COURSE DESCRIPTION

Strategic management focuses on the concept of strategy formulation and implementation by exploring the functions and nature of general management. The course serves as an opportunity to develop skills for strategic thinking and analysis, leadership, communication, teamwork, and cross-functional integration. Students learn about corporate and business planning and the implementation of organizational change through structures, systems and people. The approach adopted includes lectures, case analyses and action learning through group efforts.

## LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

- Articulate a vision that gives meaning to all the firm's stakeholders of the firm's objectives;
- Formulate a strategic plan that operationalizes the goals and objectives of the firm;
- Identify the resource endowments specific to the firm and those that are homogeneous to industry participants;
- Specify current and desired strategic positioning in order to respond to market demands;
- Implement a strategic plan that takes into account the functional areas of business;
- Evaluate and revise programs and procedures in order to achieve organizational goals;
- Consider the ethical dimensions of the strategic management process; and

## REQUIRED COURSE MATERIALS AND READINGS

*Strategic Management, Competitiveness and Globalization: Competitiveness and Globalization (Concepts), 3rd Canadian edition*, by Hitt, Ireland, Hoskisson, Rowe, & Sheppard.

A required COURSE PACKET containing Harvard and Ivey cases and other readings should also be purchased at the campus bookstore. (Strategic Management, Peter F. Johnson; Business P720, Winter 2016)

<b>OPTIONAL COURSE MATERIALS AND READINGS</b>
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Porter, M. E. (1980). Competitive strategy: Techniques for analyzing industries and competitors. New York, Free Press.

Porter, M. E. (1985). Competitive advantage: Creating and sustaining superior performance. New York, Free Press.

Porter, M.E. (1990). The competitive advantage of nations. New York: Free Press.

<b>EVALUATION</b>
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Learning in this course results primarily from in-class discussion and participation of comprehensive business cases as well as out-of-class analysis. The balance of the learning results from the lectures on strategic concepts, from related readings, and from researching your presentations, cases, assignments, and projects. All work will be evaluated on an individual basis except in certain cases where group work is expected. In these cases group members will share the same grade adjusted by peer evaluation. Your final grade will be calculated as follows:

### ***Components and Weights***

Class Participation	25%
Case Reports (2 reports)	15%
Group Project: 1 report (20%) & 1 presentation (10%)	30%
Final Exam ( Take Home Case )	25%
MBA Field Test	5%
<b>Total</b>	<b>100%</b>

### ***Grade Conversion***

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT	POINTS
A+	90 – 100	12
A	85 – 89	11
A-	80 – 84	10
B+	75 – 79	9
B	70 – 74	8
B-	60 – 69	7
F	00 – 59	0

## **Communication and Feedback**

Students that are uncomfortable in directly approaching an instructor regarding a course concern may choose to send a confidential and anonymous email to the respective Area Chair at:

<http://www.degroote.mcmaster.ca/curr/emailchairs.aspx>

Students who wish to correspond with instructors directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Administrative Assistant.

Instructors are encouraged to conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery. Instructors will provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term.

## **Class Participation and Case Discussion (25%)**

This is primarily a **case course**, which means that most class sessions will involve the discussion of specific case situations. These cases will describe real organizations. Through analysis and discussion in class, you will learn to better understand the nature of firm strategy and the processes of formulating and implementing it. Lectures and assigned readings will provide the theoretical framework with which to read and evaluate the cases. You may be called (at random) at any time during class to contribute to or critique the on-going discussion. Therefore, **you will be expected to come to class well prepared to discuss and ask questions about all assigned chapters and cases (and case questions)**. We will not spend any significant amount of class time repeating what was contained in the cases. You should be prepared to discuss all assigned readings.

- Come to class well prepared. Read the case **several times** and think about how the concepts from the chapter or discussions in class can be applied. Make notes that you can refer to during class. I encourage you to meet with your team or friends before class to discuss the case.
- Contribute ideas and analysis to the class discussion. Given the complexities of the real world, **there is no single right answer – but there are wrong answers..** What is more important is how you use strategic concepts and tools to analyze a situation.
- **Listen carefully** to your classmates and suggest supporting or alternative views.

Your class participation grade is determined based on quality of contribution and quantity of contribution. **Marks will range from 0 to 1 to 2 to 3 to 4 marks depending upon your contribution and the specific case. Not participating in class discussions will affect your final grade significantly, even if you attend all class sessions. Therefore, not speaking up during class will be a deliberate choice that you make, being fully aware of its effect on your final grade.** Understandably, there are circumstances that may cause you to miss a class; unfortunately, nothing can replace in-class participation. Submitting your ideas to the critique of your classmates and the challenge of defending them in an open forum cannot be duplicated. **Therefore, it is extremely important that you attend all class sessions. Each absence, for whatever reason, will reduce your class participation grade.**

### ***Case Question Responses – Hand-Ins (15%)***

You will be responsible for answering the two case discussion questions (pg. 12) for each of two cases.. Your answers for each question **must not exceed one page in length**. Consequently, you must provide brief, concise answers. Case choice will be determined in the first class. A maximum of 8 students may sign up for any one case. Your answers are due at the beginning of the class in which your case is being discussed.

### ***Group Project (Industry & Company Analysis Presentations & Written Report) (30%)***

You are required to belong to a group of 4-6 students for this project. Each group is required to perform an in-depth, longitudinal analysis of a company and the industry in which it operates and submit one written report. You have two options regarding your company choice: (1) you approach a company (probably in the region) and gather information/data through direct interactions with the company as well as from secondary sources, or (2) you choose a company and do research on its strategic issues with information/data only from secondary sources. While you can choose either option, the highest grade you can get from the second option is A (i.e., you won't get A+). The same group is also required to make one professional group presentation.

In order to promote individual responsibility and accountability for decision-making, and to reward those who make an exceptional contribution to their teams, **peer evaluation** will be used to modify the team-based results for the group projects. At the same time as you submit your project report, you will include your confidential peer evaluations in individually sealed envelopes. A blank peer evaluation form is found in this package (pg.14). **Each evaluation should be signed by the author. Allocate to each team member a score between -10% and +10%. The total for all group members must equal zero.**

#### **1. Written report submission (20%)**

Each group should submit one group report.

- The group project report should be type written, 1.5 line-spaced, using 12-point size font, and should not exceed 25 pages (excluding cover page, tables, figures, appendices, references, and endnotes).
- The cover page should provide the complete name of the group members, student ID number, and course code
- The report should contain the following: (1) A cover page listing team members; (2) Table of contents; (3) Executive Summary; (4) Statement of Problems including Company Background / History; (5) Analysis (\*SWOT); (6) Alternatives; (7) Decision Matrix; (8) Decision; (9) Implementation and Contingency; (10) List of References; (11) Appendices (extra tables & charts not in main body).

\*In your SWOT analysis, you must use the criteria based on the resource-based view of the firm (RBV) to identify the company's strengths and weaknesses.

## **ITEMS THAT CAN BE INCLUDED IN THE INDUSTRY ANALYSIS PART :**

### **THE INDUSTRY ENVIRONMENT**

- A brief history of the industry ( development stages )
- Global/local market description (e.g., size of major markets, products, customers and end users, pricing structure). This is meant to be a brief introduction to the industry.
- Industry structure (\*\*Porters five forces analysis). Analyze the information contained in the five forces model. Do not reproduce that information. This section will include industry trends and driving forces (industry evolution and changes, causes of the evolution and change, its impacts on industry players).

### **THE COMPETITIVE ENVIRONMENT**

- Identify and profile the major strategic groups (You may use size, market share, and other critical and relevant variables to identify viable strategic groups in the industry). Discuss if some strategic group is better positioned to take advantage of the key industry trends and driving forces than others may be.
- Key success factors (What does it take to succeed in this industry, or in each strategic group? What can a company do to gain a competitive advantage? What does it take just to survive in this industry?).
- Identify and compare key strategies pursued by major players in the industry. You are also expected to discuss which strategy seems to be most successful in the industry, and why.
- Provide the value chain analysis for each group (or major players).

### **THE GENERAL/MACRO ENVIRONMENT**

- Special strategic issues facing the industry (such as changes in governmental policies, changes in demographics, globalization, etc.).

## **SUGGESTED COMPANY ANALYSIS :**

### *Key Strategic Issue*

- From your team's industry analysis and your competitive advantage analysis of the firm, identify a single major strategic issue facing the company (the best issues are typically either major problems to be solved, or major opportunities to take advantage of).

### *Alternatives*

Develop, in detail, three or four viable strategic alternatives. In each alternative you should:

- show how it addresses the key strategic issue.
- show the ability of the company to successfully pursue each alternative (from competitive advantage analysis, and financial analysis).
- discuss the advantages and disadvantages of each alternative.

Make sure you completely discuss all of the above for each alternative, and then do the same for the other alternatives. Do not jump back and forth between discussing each alternative.

### *Decision*

- Select one alternative and discuss why this alternative was chosen over the others.

### *Implementation and Contingency*

- Discuss how the recommended course of action can be implemented and how the disadvantages and risks of the chosen alternative can be minimized or handled.

## **2. Presentations (10%)**

Each group is required to make one presentations as follows:

- The first half focuses on industry and competitor analyses.
- The second half focuses on your target company analysis and strategical. Issues.

Each presentation should not exceed 20 minutes. A Q&A session (5-10 minutes) will follow the presentation. Dress code: business attire.

Note that while the presentation will be made by the full team, marking will be on each individual. Content should be clear, concise and co-ordinated. Style should be persuasive and intrusive.

Strong presentational skills are highly valued in any business environment and can be an important contributor to personal and business success.

## **Exam (25%)**

The final exam will be a **take home case based** exam requiring answers to four (4) specific questions. No make-up exam will be administered. If you miss the final exam, no grade will be given.

In this course we will be using Turnitin.com which is a plagiarism detection service. Students will be expected to submit their work electronically to Turnitin.com so that it can be checked against the internet, published works and Turnitin's database for similar or identical work. If a student refuses to submit his or her work to Turnitin.com, he or she cannot be compelled to do so and should not be penalized. Instructors are advised to accept a hard copy of the assignment and grade it as per normal methods. The assignment can be subjected to a Google search or some other kind of search engine if the instructor wishes. To see guidelines for the use of Turnitin.com, please go to:

<http://www.mcmaster.ca/academicintegrity/turnitin/students/index.html>

## **ACADEMIC DISHONESTY**

It is the student's responsibility to understand what constitutes academic dishonesty. Please refer to the University Senate Academic Integrity Policy at the following URL:

<http://www.mcmaster.ca/univsec/policy/AcademicIntegrity.pdf>

This policy describes the responsibilities, procedures, and guidelines for students and faculty should a case of academic dishonesty arise. Academic dishonesty is defined as to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. Please refer to the policy for a list of examples. The policy also provides faculty with procedures to follow in cases of academic dishonesty as well as general guidelines for penalties. For further information related to the policy, please refer to the Office of Academic Integrity at:

<http://www.mcmaster.ca/academicintegrity>

**MISSED ACADEMIC WORK****Missed Mid-Term Examinations / Tests / Class Participation**

When students miss a regularly scheduled midterm, test or class participation for legitimate reasons as adjudicated by the MBA Academic Services Office, the weight for that midterm/test/participation will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the MBA Academic Services Office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide the Petition for Relief for MBA Missed Term Work and the McMaster University Student Health Certificate, which can be found on the DeGroot website at:

<http://www.degroote.mcmaster.ca/MBA/registration.html>

Please do not use the McMaster Student Absence Form as this is for Undergraduate students only. University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program.

To document absences for reasons other than health related, please provide documentation supporting the reason for the absence and the Petition for Relief for MBA Missed Term Work:

<http://www.degroote.mcmaster.ca/MBA/documents/relief.pdf>

Students unable to write a midterm at the posted exam time due to the following reasons: religious; work-related (for part-time students only); representing university at an academic or varsity athletic event; conflicts between two overlapping scheduled midterm exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Such requests must be made to the MBA Academic Services Office at least ten (10) working days before the scheduled exam along with acceptable documentation. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by the MBA Academic Services Office.

If any exam is missed without a valid reason, students will receive a grade of Zero (0) for that component.

**Missed Final Examinations**

A student who misses a final examination without good reason will receive a mark of 0 on the examination.

All applications for deferred and special examination arrangements must be made to the MBA Academic Services Office. Failure to meet the stated deadlines may result in the denial of these arrangements. Deferred examination privileges, if granted, must be satisfied during the examination period at the end of the following term. There will be one common sitting for all deferred exams.

Failure to write an approved deferred examination at the pre-scheduled time will result in a failure for that examination, except in the case of exceptional circumstances where



documentation has been provided and approved. Upon approval, no credit will be given for the course, and the notation N.C. (no credit) will be placed on the student's transcript. Students receiving no credit for a required course must repeat the course. Optional or elective courses for which no credit is given may be repeated or replaced with another course of equal credit value.

Requests for a second deferral or rescheduling of a deferred examination will not be considered.

Any student who is unable to write a final examination because of illness is required to submit the Application for Deferred MBA Final Examination and a statement from a doctor certifying illness on the date of the examination. The Application for Deferred MBA Final Examination and the McMaster University Student Health Certificate can be found on the DeGroot website at <http://mbastudent.degroot.mcmaster.ca/forms-and-applications/> Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. Students who write examinations while ill will not be given special consideration after the fact.

In such cases, the request for a deferred examination privilege must be made in writing to the MBA Academic Services Office within five business days of the missed examination.

Special examination arrangements may be made for students unable to write at the posted exam time due to compelling reasons (for example religious, or for part-time students only, work-related reasons):

- Students who have religious obligations which make it impossible to write examinations at the times posted are required to produce a letter from their religious leader stating that they are unable to be present owing to a religious obligation.
- Part-time students who have business commitments which make it impossible to write examinations at the times posted are required to produce a letter on company letterhead from the student's immediate supervisor stating that they are unable to be present owing to a specific job commitment.

In such cases, applications must be made in writing to the MBA Academic Services Office at least ten business days before the scheduled examination date and acceptable documentation must be supplied.

## **STUDENT ACCESSIBILITY SERVICES**

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students must forward a copy of such SAS accommodation to the instructor normally, within the first three (3) weeks of classes by setting up an appointment with the instructor. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is:

<http://sas.mcmaster.ca>

**POTENTIAL MODIFICATIONS TO THE COURSE**

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

**RESEARCH USING HUMAN SUBJECTS**

Research involving human participants is premised on a fundamental moral commitment to advancing human welfare, knowledge and understanding. As a research intensive institution, McMaster University shares this commitment in its promotion of responsible research. The fundamental imperative of research involving human participation is respect for human dignity and well-being. To this end, the University endorses the ethical principles cited in the Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans:

<http://www.pre.ethics.gc.ca>

McMaster University has mandated its Research Ethics Boards to ensure that all research investigations involving human participants are in compliance with the Tri-Council Policy Statement. The University is committed, through its Research Ethics Boards, to assisting the research community in identifying and addressing ethical issues inherent in research, recognizing that all members of the University share a commitment to maintaining the highest possible standards in research involving humans.

If you are conducting original research, it is vital that you behave in an ethical manner. For example, everyone you speak to must be made aware of your reasons for eliciting their responses and consent to providing information. Furthermore, you must ensure everyone understands that participation is entirely voluntary. Please refer to the following website for more information about McMaster University's research ethics guidelines:

<http://www.mcmaster.ca/ors/ethics>

Organizations that you are working with are likely to prefer that some information be treated as confidential. Ensure that you clarify the status of all information that you receive from your client. You **MUST** respect this request and cannot present this information in class or communicate it in any form, nor can you discuss it outside your group. Furthermore, you must continue to respect this confidentiality even after the course is over.

**M.B.A. FIELD TEST (5%)**

Students have the opportunity to earn five (5) marks by taking the MBA Field Test to be given in the last class of the semester. Specific details will be given in the first class of the semester when the Course Outline is reviewed.

## MBA P720 Strategic Management Course Schedule Winter 2016

Week: Date	Topic	Assignments
1: Jan. 4/6	Course Introduction, Strategic Management Concepts	Reading: HIH Chapter 1 & 2, & “What is Strategy?”(Porter) <b>Case Assignments</b>
2: Jan. 11/13	External Environment & Competition	Reading: HIH Chapter 3, Case 1: <b>The Chinese Fireworks Industry( 3 marks)</b>
3: Jan. 18-20	Internal Environment & Resources	Reading: HIH Chapter 4 Case 2: <b>Southwest Airlines 2002(3)</b>
4: Jan. 25-27	Business-Level Strategy	Reading: HIH Chapter 5, Case 3: <b>Haier: Taking a Chinese Company Global(3)</b>
5. Feb. 1-3	Competitive Dynamics	<b>Reading: HIH Chapter 6</b> <b>Case 4: Progressive Corporation(3)</b>
6. Feb. 8-10	Strategy in High-Tech Industries	Reading: <b>HJ</b> Chapter 7 Case 5: <b>Apple 2008(3)</b>
7. Feb 15-17	<b>Reading Week</b>	<b>No Classes</b>
8. Feb. 22-24	Corporate Strategy	Reading: HIH Chapters 7&8 Case 6: <b>Kodak(3)</b>
9. Feb. 29/March 2	Cooperative Strategy & Alliances	Reading: HIH Chapter 10 Case 7: <b>Renault-Nissan Alliance(3)</b>
10. March 7-9	International Strategy	Reading: HIH Chapter 9, Case 8: <b>Zara Fast Fashion(4 marks)</b>
11. March 14-16	<b>Group Presentations</b>	<b>Group Reports due</b>
12. March 21-23	Corporate Governance	Reading HIH Chapter 11 <b>Final Exam available</b>
13. March 28-30	<b>MBA Field Test</b>	<b>Final Exam due back</b>

HIH: Hit, Ireland, Hoskisson, Rowe, & Sheppard. *Strategic Management*

HJ: Hill & Jones. *Strategic Management – (Article in Custom Courseware)*

## **CASE QUESTIONS FOR HAND-INS**

### **Case 1: The Chinese Fireworks Industry**

1. Is the fireworks industry a “sunset” industry or still worth being in for the long run?
2. If you were Jerry Wu, and you decide to make the investment, what would you do to win out in the competition?

### **Case 2: Southwest Airlines 2002**

1. How does this company make money when other airlines find it so difficult? What are the most important contributors to its financial success?
2. Once operations are stabilized, would you recommend to the management of the company that it resume its historical growth rate from 10% to 15% per year? Why?

### **Case 3: Haier: Taking a Chinese Company Global**

1. Why was Haier so successful in China? What differentiated it?
2. Can Haier build on its success in niche products to become a dominant global brand in high-end white goods? (Take a position and support it with facts from the case.)

### **Case 4: Progressive Corporation**

1. How has Progressive’s strategy evolved over time? Is it sustainable?
2. What challenges does Progressive face in 2007? What would you recommend to CEO Glenn Renwick?

### **Case 5: Apple 2008**

1. Analyze the dynamics of the PC industry. Are these dynamics favourable or problematic for Apple?
2. The i-Pod i-Tunes business has been a spectacular success. Has Jobs found a new formula to create a sustainable competitive advantage for Apple?

### **Case 6: Kodak**

1. Compare the business model for digital photography and Kodak’s traditional profit model and discuss where the major gaps exist between them.
2. What are Kodak’s core competencies? What are their major implications for the company’s ability to cope with these new industry developments?

### **Case 7: Renault-Nissan Alliance**

1. Why did Renault choose Nissan as its alliance partner? Why did Nissan choose Renault?
2. What were the major challenges in this alliance? How about the benefits? Do these benefits outweigh the challenges?

### **Case 8: Zara Fast Fashion**

1. How well does Zara’s advantage travel globally? Provide your assessment.
2. What is the best way to grow the Zara chain? What do you think about the strategy focussing on Europe versus making a major commitment to a second region?

**Note:** Each student will have one written submission for cases 1-4 and one for cases 5-8

**MBA P720 TEAM ROSTER**

<b>TEAM NAME:</b> _____	<b>Administrative use only:</b> <b>P720 (____)</b> <b>TEAM No. _____</b>		
<b>NAMES</b>	<b>STUDENT NO.</b>	<b>PHONE NUMBER</b>	<b>E-MAIL</b>
<b><u>TEAM LEADER</u></b>			
<b>1.</b>			
<b><u>OTHER TEAM MEMBERS</u></b>			
<b>2.</b>			
<b>3</b>			
<b>4.</b>			
<b>5.</b>			
<b>6.</b>			

**Notes:**

<b>PEER EVALUATION</b>
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<b>TEAM NAME: _____</b>	<b>PEER EVALUATION (-10% to +10%)</b>
<b><u>TEAM LEADER</u></b>	
<b>1.</b>	
<b><u>OTHER TEAM MEMBERS</u></b>	
<b>2.</b>	
<b>3</b>	
<b>4.</b>	
<b>5.</b>	
<b>6.</b>	
<b>Total:</b>	

**Notes:**

Include yourself in the peer evaluation. The totals of each column must equal zero.

Your name (print): \_\_\_\_\_

Your signature: \_\_\_\_\_ Date: \_\_\_\_\_