

**MBA P720
Strategic Management
Fall 2017 Course Outline**

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

COURSE OBJECTIVE

As the capstone to McMaster's MBA program, this course is designed to unify your functional knowledge gained during the program. Further, this course will give you a working knowledge of how firms gain and sustain competitive advantage. In sum, this course will enhance your capacity to do the job of a general manager responsible for strategic performance.

INSTRUCTOR AND CONTACT INFORMATION

Dr. Brent McKnight
Instructor
bmcknight@mcmaster.ca
Office:
Office Hours: Tuesdays and
Wednesdays
Tel: (905) 525-9140 x24704
C01: Tue 14:30 – 17:30
C02: Wed 11:30 – 14:30
C03: Tue 19:00 – 22:00

TA's Name:
TA's Email:

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

COURSE ELEMENTS

Avenue:	Yes	Leadership:	Yes	IT skills:	No	Global view:	Yes
Participation:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Evidence-based:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Experiential:	Yes	Guest speaker(s):	No	Final Exam:	No		

COURSE DESCRIPTION

Strategic management focuses on the concept of strategy analysis, 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. This course is taught primarily through the case-method but also includes readings, lectures, videos, exercises and a simulation.

What you will learn in this course has utility beyond the senior leadership of organizations. Increasingly, organizations need employees that can think strategically and understand how their actions contribute to the overall success of the firm. What you will learn is applicable not only to large corporations, but applies to organizations of all kinds, including start-ups, non-profits, and government organizations. The cases and concepts of the course are used to explore the strategic challenges facing such organizations today. The materials used in the course encompass a wide range of industries, businesses and issues in order to provide the greatest depth and breadth of experience.

LEARNING OUTCOMES

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

- Understand how firms gain and sustain competitive advantage.
- Analyze strategic business situations and formulate strategies.
- Select the best strategy for a company.
- Provide quantitative support and convincing evidence for recommendations.
- Implement the strategy and organize the firm for success.

COURSE MATERIALS AND READINGS

Course content, readings and case materials	\$ FREE
• http://avenue.mcmaster.ca	
Custom Textbook	Digital \$ 53.95
• purchase a digital or printed copy	Printed \$ 85.95
Custom Courseware – Cases and Readings	\$~97
Airline Simulation	\$ 39.95 USD
• credit card required	

EVALUATION

The course offers a balance of evaluation methods. Your final grade will be calculated as follows:

Components and Weights

Case Memo	2 Case Memos and questions (individual)	10%
Test #1	Multiple Choice (individual and shared)	15%
Simulation	Strategy Airline Simulation (shared)	15%
MFT	Major Field Test in Business (individual)	5%
Participation	In-class Contribution (individual)	25%
Final Case Exam	Final case exam (individual)	20%
Presentation	Group Case Presentation (shared)	10%
Total		100%

Case Memo and Multiple Choice Questions (10% individual)

For two classes you will submit a written case memo and a set of three (3) multiple choice questions that reflect learning from this class. Case assignments will be made on a first-come first-serve basis beginning on the first day of class.

To complete a case memo, you will answer the 3-4 questions assigned as preparation for class discussion. Question assignments can be found on Avenue. Strong case memos will demonstrate an understanding and application of course concepts and tools, clearly and concisely answer the assigned questions, and be well written.

Case memos are due on Avenue before the start of the class for the assigned case. Late case memo will be assigned a grade of zero. **Case memos should be 2 pages double-spaced with an additional page for figures and/or tables.**

In addition, for your assigned classes, you are responsible for generating a set of **three (3)** multiple choice questions. The purpose of this assignment is to push you to actively consider which content from class is most important in the context of the course. Each question should be accompanied by 4 potential answers (a through d) with the correct answer clearly identified. You will also have to briefly explain why you consider each question to be an important learning from the class. Because these questions cover strategic management content from the textbook

and class discussion they are **due midnight the Monday following the assigned class**. Questions must be submitted using the **excel spreadsheet template** found on Avenue. Submissions will be due on Avenue.

Strong questions and answers should:

- Be clearly worded and not misleading.
- There must be one correct answer and only one correct answer.
- Demonstrate understanding of strategic management concepts taught in class
- Present a range of difficulty – questions should not have an obviously correct answer
- Reflect either learning from reading the text prior to class or learning from engaging in class discussion around the case
- Questions should **not** be specific to teaching cases from class. For example, do not ask a question about what strategy Rogers Communications adopted.

Note: For one (and only one) question you are permitted to use an “All of the above” or “None of the above” response.

The strongest questions will be selected for inclusion in the multiple-choice test (see below). It is therefore in your best interest to produce high quality questions, because there will be only minimal altering (cleansing) before examination.

Multiple Choice Test #1 (10% individual and 5% shared)

This is an in-class multiple choice exam. The exam will cover all preceding material (case content excepted) and be composed of peer-written questions (see above for details). You will first write and submit the multiple choice exam individually. Once completed individually, students will be assigned to groups of 5 or 6 students. Then, as a group, students will complete the same test. The individual submission will account for 10% of the final grade while the group submission will account for an additional 5%. Students who score individually better than their group will receive their individual test score for the full 15%.

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course.

Strategy Airline Simulation (15% shared)

In the strategy airline simulation you will run a fledgling regional airline in a computer simulated world. This simulation provides an environment where students have the opportunity to design, implement, and refine their strategy in a dynamic context. Students compete in groups against their classmates making decisions across functional management areas related to aircraft acquisition, marketing, operations, human resource development, and financing.

The simulation is an exciting way to explore the complexities and challenges of running a business and integrating multiple functional areas.

The airline simulation takes place in two stages. During *the practice stage*, students will have access to the simulation software from **Monday October 2nd** through **Friday October 13th** to get comfortable with the simulation. Following this, on **Saturday October 14th** (9am – 5pm) students will engage in a full day of 10 timed decision rounds.

Students will be assigned to groups of 3 to 4 prior to the start of the practice stage. Students will be graded equally on simulation performance and group reflection following the simulation.

Performance (7.5%)

Your team's simulation grade is determined using a weighted score based on stock price (50%) and cumulative net income (50%). Scores will be averages across periods with later periods being weighted more heavily. In addition to the highest grade, the names of the team members with the highest performance will be immortalized on a plaque on a course trophy displayed prominently at the Ron Joyce Centre. Bragging rights included.

Group reflection (7.5%)

The purpose of this simulation is to encourage you to reflect on some of the key strategic concepts covered in the course including strategic alignment across multiple functional areas (internal and external) as well as how your strategy was affected over time by external forces.

Group reflections are due on Avenue the Friday at midnight following the Airline simulation. Late reflections will be penalized at a rate of 25% per day. Group reflections should be **4 pages double-spaced with an additional 2 pages available for appropriate figures or tables.**

The group reflection will answer the following questions using tools and knowledge from the course.

1. Describe your strategy and defend its appropriateness for the environment you faced at the start of the simulation. This should include at a minimum which generic strategy you adopted and why and the airline's basis for competitive advantage. Why do customers buy from you and not your competition?
2. Reflect on how the different areas of strategic management (internal analysis, external analysis, performance measurements, business level strategy) are inter-related and result in competitive advantage for your firm. Be sure to consider a Porter's analysis, strategic group analysis, etc. Be sure to comment on which competitors were your focus and whether you ignored any competition.
3. How did your strategy change over the course of the simulation? If it did not change, explain why not. Reflect on how your strategy was affected by external forces (e.g., competitor's actions, newsletters, special actions) and internal capabilities (e.g., fleet, capital, team knowledge, reputation). Did you make any decisions that, in retrospect, were not congruent with your strategy?
4. If you had 10 more periods, would you change your strategy? Why or why not? If so, how? Explain.

Be sure to include figures and/or tables.

Participation (25% individual)

The daily classroom discussion represents a unique opportunity for you to develop and enhance your confidence and skill in articulating a personal position, reacting to new ideas, and receiving

and providing critical feedback from a group of assertive and demanding colleagues. Much of your learning will come from these classroom experiences.

You are expected to come to each class having read cases and assigned readings. Most of all you are expected to come to class with a readiness and willingness to contribute to class discussion. Most of each class will be focused on discussions related to the case. It is not possible to effectively contribute without having sufficiently prepared for the case. Analyzing the case using the tools and frameworks from the textbook and past classes will give you valuable insights.

A good contribution involves presenting a clear opinion, expressing it civilly, and supporting the opinion with sound logic. Every student shares the responsibility to create an environment where each member of the class feels comfortable offering his or her opinion. Learning from others and contributing to the learning of others through the experience and insights you share is a key part of this learning process. Contribution will be graded based on quality, quantity and consistency. Some of the things that will determine a contribution include:

- a) Relevance – Do your comments speak directly to the issues and concepts being addressed? Do they extend our understanding of those issues or concepts? Do they reflect your adequate preparation to participate in the discussion?
- b) Additivity – Do your comments reflect active listening to the comments of other class members? Have they incorporated insights introduced earlier and built upon them?
- c) Substance – Do your comments make a real contribution to the ideas being exchanged? Has anything new been gained from your contribution to the discussion?
- d) Persuasiveness – Have your points been well articulated, argued, and supported? Are your arguments convincing?
- e) Questioning – Have your comments reasonably questioned the comments of others or challenged their assumptions without disparaging the person who offered them?
- f) Amount of participation (this does NOT mean dominating the discussion, rather frequency of additive comments).

Participation will be graded by your TA who will attend every class. I will also employ peer participation as a secondary measure for validation purposes.

Major Field Test (5%)

To maintain AACSB accreditation, the DeGroote Business School must satisfy the expectations of a wide range of quality standards. This process includes comparisons of our work with international accreditation standards on several criteria, including the DeGroote student body. It is therefore an important accountability to the graduates of our program, a fellowship of individuals whom you will soon join, to continue maintain a high standard.

The DeGroote School of Business uses the Major Field Test to measure student academic achievement. In addition, area groups will use the results of the Major Field Test to evaluate their curricula and measure their progress. The tests also provide students with an assessment of their own level of achievement within a field of study compared to that of students in their program and to international comparative data. In addition to factual knowledge, the test

evaluates students' abilities to analyze and solve problems, understand relationships, and interpret material.

This is a three hour multiple choice test. You will receive **five (5) percent** for taking the test regardless of your performance on the test.

The results of the test will be used to benchmark the DeGroote School of Business against other business schools internationally. You will also be able to compare your personal performance with other MBA students internationally.

NOTE: All exchange students are exempt from taking this test. The 5 percentage points will be removed from your final grade calculation.

Final Case Exam (20% individual case exam) and (10% shared presentation)

PART 1: Case Exam (Individual 20%)

The final exam is a take home case exam accounting for **20% of your final grade**. Case exams will be made available on Avenue at the time indicated in the course schedule below. Each case solution must be completed individually and without using external research. Students will submit their solutions through dropbox in Avenue. Submissions will be subject to the turnitin.com service and will be reviewed in accordance with the university's academic integrity policy. Please be careful to read the case exam instructions carefully.

Exams that are handed in late will be penalized at a rate of 25% per day.

The case exam is considered the final comprehensive evaluation component of this course. As such, performance on this exam is critical for successful completion of this course. There will be no make-up case exam and the exam is required for completion of the course.

PART 2: Presentation (Shared 10%)

Following submission of the individual portion of the case exam, students will be assigned to cross-functional groups of 5 to 6. Working together students will share and then discuss their individual case exam solutions. Groups will weigh the merits of each solution and arrive at a synthesized solution. In groups, students will then prepare a 15-minute presentation for delivery on the final day of class.

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 send a confidential and anonymous email to the respective Area Chair or Associate Dean:

<http://mbastudent.degroote.mcmaster.ca/contact/anonymous/>

Students who wish to correspond with instructors or TAs 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 should provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term.

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/policy/Students-AcademicStudies/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 result 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>

In this course we will be using Turnitin.com function within Avenue2Learn which are plagiarism detection services. Students will be expected to submit their work electronically to either 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>

MISSED ACADEMIC WORK

Missed Mid-Term Examinations / Tests / Class Participation

Where students miss a regularly scheduled evaluative component (mid-term, class participation, or assignment) for legitimate reasons as determined by the Student Experience – Academic (MBA) office, the professor will either assign makeup component or distribute the weight for that component across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the Student Experience – Academic (MBA) office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide to Student Experience – Academic (MBA) office 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://mbastudent.degroot.mcmaster.ca/forms-and-applications/>. Please do not use the online 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 Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and documentation supporting the reason for the absence.

Students unable to write a mid-term 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 mid-term exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Such

requests must be made to the Student Experience – Academic (MBA) office at least ten (10) working days before the scheduled exam along with acceptable documentation. Adjudication of the request must be handled by Student Experience – Academic (MBA).

If an evaluative component is missed without a valid reason, students will receive a grade of zero (0) for that component.

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.

COURSE SCHEDULE

**MBA P720
Strategic Management**

	Date	Overview	Content	Readings and Cases
Getting Started				
1	Week of Sept 11 th	Introduction to Strategic management	<ul style="list-style-type: none"> • What is strategy? • Distinguish business, competitive and corporate strategy • Role of the general manager • Sustainable competitive advantage 	<ul style="list-style-type: none"> • Strategic Management: Creating Competitive Advantages: An Overview (Chapter 1 from Dess et al, 2015) • What is strategy? by Porter (HBR)
2	Week of Sept 18 th	External Environment	<ul style="list-style-type: none"> • Industry analysis: PESTEL, Porter’s 5 forces, industry segmentation • Competitor analysis and positioning • Strategic groups 	Analyzing the External Environment of the Firm (Chapter 2 from Dess et al, 2015) <i>CASE: Cola Wars Continue: Coke and Pepsi in 2010</i>
3	Week of Sept 25 th	Internal Environment	<ul style="list-style-type: none"> • Resource based view of the firm including VRIO Model • Capabilities 	Internal Analysis: Resources, Capabilities, and Core Competences (Chapter 4 from Rothaermel, 2017) <i>CASE: Rogers Communications</i>
4	Week Oct 2 nd	Competitive Advantage and Firm Performance	<ul style="list-style-type: none"> • Competitive advantage and firm performance • Value chain analysis 	Competitive Advantage, Firm Performance, and Business Models (Chapter 5 from Rothaermel, 2017) <i>CASE: Lego (A): The Crisis</i>
Formulation				
5	Week Oct 9 th	Business level strategies	<ul style="list-style-type: none"> • Generic Business Levels Strategies • Strategic positioning 	The Five Generic Competitive Strategies (chapter 5 from Gamble, Peteraf, Thompson, 2017) <i>CASE: Husky Injection molding</i> Airline Simulation Saturday October 14th 9:00am to 4pm
6	Week Oct 16 th	Going Global	<ul style="list-style-type: none"> • Liability of foreignness • CAGE distance framework 	Global Strategy: Competing Around the World (Chapter 10 from Rothaermel, 2017)

			<ul style="list-style-type: none"> National Competitive advantage – Porter’s diamond framework Outsourcing Triple Bottom Line 	<p><i>CASE: Ikea’s Global Sourcing Challenge: Indian Rugs and Child Labor</i></p> <p>Simulation Reflection due at 5pm on Friday October 19th</p>
7	Week Oct 23 rd	Midterm Relief		No class this week.
8	Week Oct 30 th	Corporate Strategy	<ul style="list-style-type: none"> Make vs Buy Decisions Vertical integration Mergers and Acquisitions Alliances and joint ventures 	<p>Corporate-Level Strategy: Creating Value through Diversification (Chapter 6 from Dess et al, 2015)</p> <p><i>CASE: The Walt Disney Company: The Entertainment King</i></p>
9	Week Nov 6 th	Innovation Strategy	<ul style="list-style-type: none"> Innovation, value creation, and competition Innovation and the industry lifecycle Business Models 	<p>Business Strategy: Innovation and entrepreneurship (Chapter 7 from Rothaermel, 2017)</p> <p><i>CASE: Uber: Changing the way the world moves</i></p>
10	Week Nov 13 th	Realized and Emergent Strategy	<ul style="list-style-type: none"> Realized and Emergent Strategy Improvisation 	<p>Multiple choice midterm in the first half of class</p> <p><i>CASE: Honda A and B</i> Please come prepared having read Case A before class.</p>
11	Week Nov 20 th	Organizational Design: Structure, Culture, Control and Corporate Governance	<ul style="list-style-type: none"> Organizational design and competitive advantage Strategy and structure Organizational Culture: Values, Norms, and Artifacts 	<p>Organizational Design: Structure, Culture and Control (Chapter 11 from Rothaermel, 2017) Corporate Governance and Business Ethics (Chapter 12 from Rothaermel, 2017)</p> <p><i>CASE: Corporate Strategy at Berkshire Partners</i></p> <p>Case Exams available on Avenue Friday from 5pm</p>
12	Week Nov 27 th	Major Field Test (MFT)	This is a full 3 hour exam. While you cannot study for this exam, you are expected to put in a strong effort.	Case Exams due Monday Nov 27th at 11am
13	Week of Dec 4 th	Final Case Presentation		Final case presentations due during class.