

**MBA P720  
Strategic Management  
Fall 2018 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 the functional knowledge you gained during the program. This course will also 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 setting strategy and managing performance.

**INSTRUCTOR AND CONTACT INFORMATION**

**Dr. Brent McKnight**

Instructor

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Office: DSB #210 / RJC Faculty Wing

Office Hours: Monday 2:30-4:00 (DSB 210 / Skype )

Wednesday 2:30-4:00 (RJC Wing / Skype)

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:	Yes	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:	Yes	Final Exam:	Yes		

## 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 and involves 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 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 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 under different contexts.
- Provide quantitative support and convincing evidence for recommendations.
- Implement the strategy and organize the firm for success.

## REQUIRED COURSE MATERIALS AND READINGS

Course content, readings and case materials	\$ FREE
• <a href="http://avenue.mcmaster.ca">http://avenue.mcmaster.ca</a>	
Textbook and Reading Options	
• <u>Mastering Strategic Management</u> ( <i>open source</i> ) by Ketchen and Shook available at <a href="https://opentextbc.ca/strategicmanagement/">https://opentextbc.ca/strategicmanagement/</a>	\$ FREE
• A collection of online readings	\$ FREE
• <i>Optionally</i> <u>Strategic Management</u> by Frank Rothaermel, 4th Edition	\$99-\$150
Custom Courseware – Cases and Readings	
• purchase a copy at the bookstore	\$ ~81
Airline Simulation	\$ 39.95 USD
• credit card required	

This year we are offering the option of a free open-source textbook or a more full featured textbook.

- The free textbook is an open source textbook called Mastering Strategic Management (<https://opentextbc.ca/strategicmanagement>). I have coupled this with selected readings that can be found on Avenue. You can print this textbook or choose from a number of online formats.
- The full featured textbook is Rothaermel's Strategic Management textbook. You can purchase a physical copy or just the online version. Both come with the interactive Connect feature.

<b>EVALUATION</b>
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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%
Midterm	Multiple Choice (individual and shared)	15%
Simulation	Strategy Airline Simulation (shared)	15%
MFT	Major Field Test in Business (individual)	5%
Engagement	Classroom Engagement (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 associated with this class. Cases assignments will be made on a first-come first-serve basis during 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 available for figures or tables – materials in excess of this limit will not be graded.**

In addition, for your assigned class, you are responsible for generating a set of **three (3)** multiple choice questions. The purpose of this assignment is to push you to actively identify which content is the 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 must also 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 11:59pm 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, and only one, correct answer.
- Demonstrate understanding of strategic management concepts taught in class.
- Present a range of difficulty—questions should not have an obvious answer
- Reflect either learning from readings or learning from classroom discussion
- 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.

There is a link on Avenue under Course Administration with some tips on writing strong multiple choice questions.

The strongest questions will be selected for inclusion on the multiple-choice test (see below). It is therefore in your best interest to produce high quality questions, because these will not be altered before examination. Further, if I use at least one of your questions in creating the midterm, you will receive **one bonus mark/percent** on your final grade.

### ***Multiple Choice Midterm (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 the multiple choice exam individually. Once completed individually, students will get into their course groups to complete the same test. The course group will be the same for the midterm, simulation and final case presentation. 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.

Students will work together in groups of about 4, to compete against their classmates in the airline simulation. The airline simulation takes place in two stages.

**Practice and analytics stage (7.5%).** Students will gain access to the simulation on **Monday September 24<sup>th</sup>** and begin a series of 4 practice rounds. The objective of this first stage is two-fold. First, it should familiarize students with the simulation and how the system functions. Second, students will use these practice rounds to develop an analytical strategic decision making spreadsheet designed as a support tool to be used during the simulation on October 27<sup>th</sup>.

Stronger analytical models will:

- Generate new and useful measures or ratios to guide decision making
- Offer insight as to when it makes sense for your group to purchase additional information reports
- Clearly document the questions you are asking of your data. What is your intention?
- Combine data from multiple sections of the simulation (ie Sales data with fares data)

Reports will be graded based on:

- **Report Presentation:** Readability, ease of use and accessibility
- **Modeling efforts:** Assumptions regarding inputs and outputs
- **Data analysis:** Quality of new metrics and ratios generated

Important: The analytical model you submit should be populated with the appropriate data from your four practice decisions.

Analytics spreadsheets and supporting documentation (as appropriate) are **due on Avenue Thursday October 18<sup>th</sup> at 11:59pm**. Late spreadsheets will be penalized at a rate of 25% per day.

### **Simulation Performance (7.5%)**

The second stage occurs on **Saturday October 27<sup>th</sup>** from **9am until 5pm** when students will compete against one another in a fun and engaging simulation day at the RJC campus. Your team's simulation grade is determined using a score based on stock

price (50%) and cumulative net income (50%). 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.

### ***Classroom Engagement (25% individual)***

**Class Tickets (10%).** Each class in this course focuses on a particular topic important for proper understanding of strategic management. To guide you in this learning, each class has a ticket that asks you to reflect on and consider key concepts.

To get full grades on these tickets, students will need to complete 7 of 9 tickets satisfactorily. The professor and TAs reserve the right to penalize for lackluster responses.

Class tickets are **due on Avenue. Tickets will be either due prior to the start of class, or at 11:59pm the Monday following class.** Pay attention to which tickets are due prior to class and which ones afterward. Late tickets will impair your ability to receive full marks.

**Participation (15%).** 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. Close to half of each class will be focused on case discussions. It is not possible to 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.

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

The final exam takes place in two parts. It is based on a live case, in which real executives will be presenting your class with a real strategic problem that they are currently facing.

**PART 1: Live Case Exam (Individual 20%)**

During class the week of **November 19<sup>th</sup>**, company executives will make a presentation in your class detailing their organization, industry, and their strategic problem. The class will continue to engage the client, asking questions and clarifying the problem

Your final solution to the case will be due at the beginning of scheduled class time during the **week of December 3<sup>rd</sup>**. Each case solution must be completed individually. 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 to Executives (Shared 10%)**

Following submission of the individual portion of the case exam, students will work in their course groups. Working together students will share and then discuss their individual case exam solutions to arrive at a final recommendation and solution for the client executives. In groups, students will then prepare a **10-minute** presentation with supporting documentation for delivery as a final exam. Groups will have **5 minutes** to answer questions. This exam will take place during the final exam period.

## **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, 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.

<b>COURSE SCHEDULE</b>
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## MBA P720 Strategic Management

Date (week of)	Overview and Learning Goals	Readings and Cases	Dates and Deadlines
1–Sept 10 <sup>th</sup>	<b>Introduction to Strategic Management</b> <ul style="list-style-type: none"> <li>• What is strategy?</li> <li>• Vision, mission and values</li> </ul>	<ul style="list-style-type: none"> <li>• Porter, <u>What is strategy?</u> available in Courseware</li> <li>• <u>Class 1 Readings</u> available through Avenue</li> </ul>	
2 –Sep 17 <sup>th</sup>	<b>Analysis of External Environment</b> <ul style="list-style-type: none"> <li>• Porter's 5 forces</li> <li>• PESTEL</li> <li>• Strategic Groups</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Class 2 Readings</u> available through Avenue</li> </ul>	
3–Sep 24 <sup>th</sup>	<b>Analysis of Internal Environment</b> <ul style="list-style-type: none"> <li>• Resource Based View (VRIO)</li> <li>• Capabilities</li> <li>• Value Chain</li> </ul>	<ul style="list-style-type: none"> <li>• <i>CASE: Rogers Communications</i></li> <li>• <u>Class 3 Readings</u> available through Avenue</li> </ul>	
4–Oct 1 <sup>st</sup>	<b>Competitive Advantage</b> <ul style="list-style-type: none"> <li>• Understand drivers of firm profitability</li> <li>• Shared Value</li> <li>• Organizational Health</li> </ul>	<ul style="list-style-type: none"> <li>• <i>CASE: Lego (A): The Crisis</i></li> <li>• <u>Class 4 Readings</u> available through Avenue</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Decision 1 Wed Oct 3<sup>rd</sup> at 11:59pm</b></li> <li>• <b>Decision 2 Sun Oct 7<sup>th</sup> at 11:59pm</b></li> </ul>
Oct 8 <sup>th</sup>	<b>Midterm relief – NO CLASS</b>		<ul style="list-style-type: none"> <li>• <b>Decision 3 Wed Oct 10<sup>th</sup> at 11:59pm</b></li> <li>• <b>Decision 4 Sun Oct 14<sup>th</sup> at 11:59pm</b></li> </ul>
5–Oct 15 <sup>th</sup>	<b>Business Level Strategies</b> <ul style="list-style-type: none"> <li>• Generic business level strategies</li> <li>• Value price and cost Framework</li> </ul>	<ul style="list-style-type: none"> <li>• <i>CASE: Husky Injection molding</i></li> <li>• <u>Class 5 Readings</u> available through Avenue</li> </ul>	<b>Simulation Analytics due Thursday October 18<sup>th</sup> at 11:59pm</b>
6–Oct 22 <sup>nd</sup>	<b>Going Global</b> <ul style="list-style-type: none"> <li>• CAGE distance framework</li> <li>• National Competitive advantage – Porter's diamond framework</li> <li>• Foreign market entry</li> </ul>	<ul style="list-style-type: none"> <li>• <i>CASE: Ikea's Global Sourcing Challenge: Indian Rugs and Child Labor</i></li> <li>• <u>Class 6 Readings</u> available through Avenue</li> </ul>	<b>Airline Simulation Saturday October 27<sup>th</sup> from 9:00am to 5pm</b>

7-Oct 29 <sup>th</sup>	<b>Corporate Strategy</b> <ul style="list-style-type: none"> <li>• Make vs buy decisions</li> <li>• Vertical and horizontal integration</li> <li>• Mergers and acquisitions</li> <li>• Alliances and joint ventures</li> </ul>	<ul style="list-style-type: none"> <li>• <i>CASE: The Walt Disney Company: The Entertainment King</i></li> <li>• <u>Class 7 Readings</u> available through Avenue</li> </ul>	
8-Nov 5 <sup>th</sup>	<b>Innovation Strategy</b> <ul style="list-style-type: none"> <li>• Innovation types</li> <li>• Innovation and the industry lifecycle (chasm)</li> <li>• Business models</li> </ul>	<ul style="list-style-type: none"> <li>• <i>CASE: Uber: Changing the way the world moves</i></li> <li>• <u>Class 8 Readings</u> available through Avenue</li> </ul>	
9-Nov 12 <sup>th</sup>	<b>Midterm</b>		<b>Multiple Choice Midterm</b>
10-Nov 19 <sup>th</sup>	<b>Organizational Design: Structure, Culture,</b> <ul style="list-style-type: none"> <li>• Realized and emergent strategy</li> <li>• Control and corporate governance</li> <li>• Organizational design and structure</li> <li>• Strategy and structure</li> <li>• Organizational culture</li> </ul>	<ul style="list-style-type: none"> <li>• <i>CASE: Honda A and B</i></li> <li>• <u>Class 10 Readings</u> available through Avenue</li> </ul>	<b>Live Case Presentation</b>
11-Nov 26 <sup>th</sup>	<b>Major Field Test (MFT)</b>		<b>This is a full 3 hour exam. While you cannot study for this exam, you are expected to put in a strong effort.</b>
12-Dec 3 <sup>rd</sup>	<b>No Class final week</b>		<b>Case Exams due by start of class for respective sections (but no class).</b>  Final case presentations scheduled during exam period.

## LEARNING OBJECTIVES AND READINGS

### ***Class 1 - Introduction to Strategy***

#### **LEARNING OBJECTIVES**

1. Be able to articulate what strategy is and is not
2. Understand the key elements of mission, vision and values

#### **REQUIRED READING**

- Ketchen and Short Chapter 1 and 2 **OR** Rothaermel - Sections 1.1 and 1.2 and Chapter 2
- Porter's What is Strategy from your courseware

#### **FURTHER READING**

- <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/eight-shifts-that-will-take-your-strategy-into-high-gear> (about the strategy process)
- <https://iveybusinessjournal.com/publication/strategic-planning-a-roadmap-to-success/> (might be interesting – gets at a process of options and options assessment that I would need to read)
- <https://blog.hubspot.com/marketing/inspiring-company-mission-statements> (Some top mission/vision statements and some discussion)

### ***Class 2 - External environment***

#### **LEARNING OBJECTIVES**

1. Provide an assessment of industry attractiveness and what drives that attractiveness (using Porter's 5 Forces)
2. Analyze the role industry dynamics (ie PESTEL) play with respect to changing competitive conditions (Porter)
3. Generate a strategic group model to reveal performance differences between clusters of firms in the same industry

#### **REQUIRED READING**

- Ketchen and Short - Chapter 3 **OR** Rothaermel, Chapter 3
- Porter's 5 Forces <https://hbr.org/video/3590615226001/the-explainer-porters-five-forces>

#### **FURTHER READING**

- A strategy for thriving in uncertainty <https://www.bain.com/insights/a-strategy-for-thriving-in-uncertainty/>
- Confronting Uncertainty in Strategy <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-to-confront-uncertainty-in-your-strategy>
- The Uncertainty Advantage <https://www.strategy-business.com/article/The-Uncertainty-Advantage?qko=6b60b>

### ***Class 3 - Internal Environment***

#### **LEARNING OBJECTIVES**

1. Articulate the critical assumptions of the resource-based view
2. Apply the VRIO framework to assess the competitive implications of a firm's resources
3. Apply a value chain analysis to understand which of the firm's activities generate differentiation and which drive costs.

#### **REQUIRED READING**

- Ketchen and Short Chapter 4 **OR** Rothaermel Chapter 4

#### **FURTHER READING**

- VRIO Model <https://www.strategicmanagementinsight.com/tools/vrio.html>
- Capability Driven Strategy [https://www.strategyand.pwc.com/media/file/CDS-Gain-the-right-to-win\\_infographic.pdf](https://www.strategyand.pwc.com/media/file/CDS-Gain-the-right-to-win_infographic.pdf)

### ***Class 4 - Competitive Advantage***

#### **LEARNING OBJECTIVES**

1. Conduct a firm profitability analysis using accounting data to assess and evaluate competitive advantage
2. Describe the shared value creation framework and its relationship to competitive advantage

#### **REQUIRED READING**

- Rothaermel Chapter 5 (if purchased)
- Financial Ratios <https://www.bdc.ca/en/articles-tools/money-finance/manage-finances/pages/financial-ratios-4-ways-assess-business.aspx>
- Measuring Long term Performance <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/measuring-long-term-performance>
- Organizational health <https://www.mckinsey.com/business-functions/organization/our-insights/organizational-health-a-fast-track-to-performance-improvement>

- Balanced Scorecard <https://hbr.org/video/3633937148001/the-explainer-the-balanced-scorecard>
- Triple Bottom Line <https://theconversation.com/explainer-what-is-the-triple-bottom-line-22798>
- Creating Shared Value <https://www.youtube.com/watch?list=PL85B3155A0F0B30D0&v=1vK3cxnP6I4>

#### **FURTHER READING**

- <https://iveybusinessjournal.com/publication/three-rules-for-exceptional-performance/>
- <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-to-build-an-alliance-against-corporate-short-termism> (on short term vs long term)
- Creating Shared Value <https://www.sharedvalue.org/about-shared-value>

### ***Class 5 - Business Level Strategies***

#### **LEARNING OBJECTIVES**

1. Define business level strategy and strategic positioning.
2. Explain what it means to be “stuck in the middle” and its implications for firm performance.
3. Use the Value, Price, and Cost framework to explain sources of competitive advantage.

#### **REQUIRED READING**

- Ketchen and Short Chapter 5 and 6
- Rothaermel Chapter 6 (alternative)
- Value Price Cost Framework <https://www.youtube.com/watch?v=pQboj3NpG-k>

### ***Class 6 - Going Global***

#### **LEARNING OBJECTIVES**

1. Compare and contrast the different options firms have to enter foreign markets.
2. Apply the CAGE framework to guide decisions on which countries to enter.
3. Apply Porter’s Diamond model to explain why certain industries are more competitive in specific nations than in others

#### **REQUIRED READING**

- Ketchen and Short Chapter 7
- Rothaermel Chapter 10 (alternative)
- CAGE Distance Framework [https://en.wikipedia.org/wiki/CAGE\\_Distance\\_Framework](https://en.wikipedia.org/wiki/CAGE_Distance_Framework)
- CAGE Distance Framework <http://enrichwise.com/2011/12/10/the-cage-framework-distance-matters-in-globalization/>

- Porter's Diamond of National Advantage <http://www.quickmba.com/strategy/global/diamond>

## ***Class 7 - Corporate Strategy***

### **LEARNING OBJECTIVES**

1. Explain the factors that drive firms to make vs buy.
2. Understand motivations for firms engaging in horizontal (M&A) and vertical integration.
3. Evaluate the performance of joint ventures and M&A activity.
4. Explain when diversification strategies create competitive advantage and when they do not.

### **REQUIRED READING**

- Ketchen and Short Chapter 8
- Rothaermel Chapter 8 and Chapter 9 (alternative)
- Make or Buy Decisions in Context [https://www.strategyand.pwc.com/media/file/Strategyand\\_Make-or-buy-sound-decision-making.pdf](https://www.strategyand.pwc.com/media/file/Strategyand_Make-or-buy-sound-decision-making.pdf)
- Measuring Alliance Performance <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/measuring-alliance-performance>
- Mastering Organic Growth <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/mastering-three-strategies-of-organic-growth>
- Tapping the unexpected potential of joint ventures <https://www.bain.com/insights/tapping-the-unexpected-potential-of-joint-ventures/>

### **FURTHER READING**

- Blog on Economic Thought about Coases theory of the firm <http://www.economicthought.net/blog/2013/02/coases-firm/>
- Better Joint Ventures <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/negotiating-a-better-joint-venture>

## ***Class 8 - Innovation Strategy***

### **LEARNING OBJECTIVES**

1. Distinguish different types of innovation and implications for strategy
2. Derive strategic implications from the crossing-the-chasm framework
3. Explain what a business model is and its role in strategy.

### REQUIRED READING

- Rothaermel Chapter 7 (alternative)
- Why business models fail: Pipes vs Platforms <https://www.wired.com/insights/2013/10/why-business-models-fail-pipes-vs-platforms/>
- Disruptive Innovation <https://hbr.org/video/2688242135001/the-explainer-disruptive-innovation>
- Crossing the Chasm <https://www.youtube.com/watch?v=Y-97AXOPzJo>
- The Business Model Canvas - <https://www.youtube.com/watch?v=QoAOzMTLP5s>
- Examples of Business Models <https://articles.bplans.com/what-is-a-business-model-business-models-explained/>

### FURTHER READING

- Business Models for an Era of Innovation Glut <https://iveybusinessjournal.com/publication/business-models-for-an-era-of-innovation-glut/>

## ***Class 10 - Organization Design***

### LEARNING OBJECTIVES

1. Applying agency theory, explain how companies use governance mechanisms to align principals and agents. Offer a critical view of these methods.
2. Ethics? – explain relationship between business ethics, corporate governance, and strategy.
3. Explain how organizational structure can support strategy.
4. Students should understand the critical importance of culture to strategy (“culture eats strategy for breakfast”).

### REQUIRED READING

- Ketchen and Short Chapter 9 and Chapter 10
- Rothaermel Chapter 11 and Chapter 12 (alternative)
- What is Corporate Culture? <https://www.youtube.com/watch?v=gficoigz1xs>

### FURTHER READING

- The Business of Culture <https://iveybusinessjournal.com/the-business-of-culture/>
- 8 Types of Company Culture <https://hbr.org/video/5686668254001/the-8-types-of-company-culture>