

**BUSADMIN P720**  
**Strategic Management**  
**Summer 2022 Course Outline**  
**DeGroot School of Business**  
**McMaster University**

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***COURSE OBJECTIVE***

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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.

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***INSTRUCTOR AND CONTACT INFORMATION***

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**Sanjay Dhebar, MBA**

Instructor

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Vineet Nagia

TA for academic submissions

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*Classes: Thursday 7:00am to 10:00pm*

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***COURSE ELEMENTS***

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<b>Avenue:</b> Yes	<b>Leadership:</b> Yes	<b>IT skills:</b> No	<b>Global view:</b> Yes
<b>Participation:</b> Yes	<b>Ethics:</b> Yes	<b>Numeracy:</b> No	<b>Written skills:</b> Yes
<b>Evidence-based:</b> Yes	<b>Innovation:</b> Yes	<b>Group work:</b> Yes	<b>Oral skills:</b> Yes
<b>Experiential:</b> Yes	<b>Guest Speaker:</b> Yes	<b>Final Exam:</b> No	

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## ***COURSE DESCRIPTION***

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Strategic management focuses on the concept of strategic 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, a simulation, and a live case exam.

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.

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## ***LEARNING OUTCOMES***

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

- Analyze industry structure and environmental trends
- Assess how a firm's resources and capabilities generate competitive advantage
- Formulate new strategies under different contexts
- Explain how firms add value to multiple businesses
- Implement strategies and organize the firm for success

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## ***REQUIRED COURSE MATERIALS AND READINGS***

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Avenue registration for course materials:

- <http://avenue.mcmaster.ca/>

Textbook and Reading Options

- Custom Courseware

Purchase a copy

<https://hbsp.harvard.edu/import/930282>

- [https://campusstore.mcmaster.ca/cgi-mcm/ws/txsub.pl?wsTERMG1=222&wsTERMDESC1=Spring%2FSummer+2022&wsDEPTG1=BUSADMIN&wsDEPTDESC1=USADMIN+-+Business+Administration+Grad&wsCOURSEG1=P720&wsSECTIONG1=EVE+C01&programG1=McMaster+Undergrad+and+Graduate&crit\\_cnt=1](https://campusstore.mcmaster.ca/cgi-mcm/ws/txsub.pl?wsTERMG1=222&wsTERMDESC1=Spring%2FSummer+2022&wsDEPTG1=BUSADMIN&wsDEPTDESC1=USADMIN+-+Business+Administration+Grad&wsCOURSEG1=P720&wsSECTIONG1=EVE+C01&programG1=McMaster+Undergrad+and+Graduate&crit_cnt=1)

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## **EVALUATION**

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Learning in this course results primarily from discussion and participation in activities. The balance of the learning results from the lectures, related readings, and researching your assignments. 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**

<b>Simulation</b>	M&A Strategy (group)	25%
<b>Analysis Assignment</b>	Internal & External (Individual)	25%
<b>Final Case</b>	MGM Las Vegas (group)	25%
<b>In the News</b>	Beginning of each class (group)	10%
<b>Reflection Paper</b>	Guest Speaker – (Individual)	15%
<b>Total</b>		<b>100%*</b>

\*A penalty of 10% will be incurred to your final course grade should you miss any online webinar sessions

### **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:

<b>Letter Grade</b>	<b>Percent</b>	<b>Points</b>
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

## SIMULATION (25%)

### MERGE AND ACQUISITION SIMULATION - AUTO INDUSTRY

In the strategy simulation, each team will run an organization that functions within the vehicle manufacturing industry. This simulation provides an environment where students can design, implement, and refine their strategy in a dynamic context. All companies work in the automotive industry, producing different products that have the potential to complement each other in many possible ways, opening the door for merger and acquisition opportunities. Students compete in groups against other teams making decisions across functional management areas related to acquisition:

- Marketing and Product
- Corporate and Social Responsibility (CSR)
- Human Resource Development
- Financing

The simulation is an exciting way to explore the complexities and challenges of running a business and integrating multiple functional areas in addition to merging with potential partners.

*Note: M&A Simulation was developed and designed by Dr. Haniyeh Yousofpourfard and Sanjay Dhebar. We have also received feedback/advice from several McMaster University, DSB MBA recent graduates during the development of this Simulation.*

This simulation has multiple phases.

#### **Phase 1: Company Profile (12.5%)**

**June 7** - students will access their company description and must work with their team to develop their company:

Name  
Slogan  
Vision and Mission  
Value  
Value proposition

Once the group has agreed on these, the leader can enter them into the system. Furthermore, the team should develop a 90 second introduction video that will be shared with other teams during Phase 2 when they want to select another company to negotiate with. Ensure the video has impact.

After completion of the company profile, the team must complete the pre merge questions by **June 14th**. The leader in agreement with other team members must set the overall direction of the company. Each board member then must make decisions to support that direction.

#### **Phase 2: Selection for Merge or Acquisition**

**June 21** - moving to the second phase, a list of all companies and their portfolio shall be published for everyone.

Moving to the second phase, a list of all companies and their portfolio shall be published for everyone. Each group should review all the company profiles and submit **the** choices of other companies that they would be the best fit to merge with or acquire based on their expansion strategy. You can be selected by other companies as many times as the number of companies you can select. This is first come first serve meaning if another company chose your company of choice to negotiate with earlier, you may not get the chance to select them.

All team members must review other companies' profiles and agree on which companies the leader will select to negotiate with.

### **Phase 3: Merged Company (12.5%)**

**June 28** - the teams will negotiate with companies they have selected or have been selected to develop a new merged company. They must agree on the structure and culture of the new company and agree on different components of managing the merged company. Some teams may not be successful to merge based on this exercise.

- After reaching an agreement, each of the two groups shall complete the questionnaire about their final agreement.
- For those companies that do not get a chance to negotiation with another company or do not reach an agreement, they must complete the questionnaire about their potential approach.

During this phase, students must negotiate the identity and structure of the new organization and each functional lead must be prepared to submit their new merged company's approach for each area.

Each company will receive a M&A score for their M&A agreement based on each company's original profile, strategy, and performance.

### **GRADING: Final Report (due July 5):**

- The negotiating process and the effectiveness of the Board member's approach
- The choices that were made for each function and the rational for it
- Explain why you selected the companies you wanted to negotiate with during phase 2 and why you believed this would be a successful merger
- Analyzing the generated M&A report and how they change their approach in the future
- Lesson learned from the simulation and how to apply these learnings in the future
- Maximum 5 pages (not including cover), double spaced, size 12 font

### **Grading (25%)**

#### *Phase 1:*

10%: Company profile components

2.5%: based on simulation generated pre merge company performance

Phase 2: Activity but no assigned grading

#### *Phase 3:*

2.5 %: based on simulation generated post merge performance

10%: Final report

**Ripped from the Headlines – Weekly Presentations (10%)**

Each week teams will use their 60min class time (prior to the Class start) to identify a business issue, review the firm effort, conduct a brief analysis, and present your findings. Your group presentation should include a strategy moving forward. Presentations should be 10min (max) in Power Point format with 5min reserved for Q&A. Only 3/4 teams will present and will be picked randomly. As a class, we will rank the presentations via Poll. The instructor will decide if we have a tie.

Criteria

- Appropriate headline
- Quality of information shared
- Sound Analysis
- Strength of Presentation
- Realistic recommendation

**Analysis Assignment (25%) Starbucks Case Analysis Due before class May 31<sup>st</sup>**

Students will work individually to analyze Starbucks' troubles in 2008 and provide recommendations on the best strategy to overcome the challenges if Starbucks was facing the same challenges in 2020. Students are to analyze both the internal resources and capabilities (i.e., VRIO analysis, bases of competitive advantage, organizational characteristics etc.) in 2008 as well as external analysis based on 2022 environment (i.e., PESTLE etc.)

Students are to submit a 6–8 page, 12-point Times New Roman, double space, 1-inch margins. Endnotes and exhibits can take additional pages as necessary. Report with their analysis and their strategic recommendation including the expected impact and risks for Starbucks, applying your learnings from the class.

**Reflection Assignment (15%) – June 14<sup>th</sup> before end of day 11:59pm**

Students are required to hand in reflection paper discussing the impact of marketing strategy on organizations and their importance to organization performance. This paper is based on the course material and the guest speaker presentation discussing real life impact on organizations.

- Maximum of 5 pages, double spaced, excluding cover page, exhibits and appendices.

The paper should provide an overall view of Strategy and provide detail on three specific areas:

- Building on the guest speaker discussion (20%)
- Class learning (20%)
- External research to support (25%)
- Recommendation and Summary (35%)

Each individual is expected to provide a recommendation and applicable tool and process to align the two.

**FINAL CASE ASSIGNMENT (MGM Resorts) (25%) – Presentations July 26<sup>th</sup>; report due July 28<sup>th</sup> before End of Day (11:59pm)**

Students will work in their course groups to present an analysis of both the resources and capabilities (i.e., bases of competitive advantage, organizational characteristics) within the firm as well as the external environment (i.e., PESTLE, Porter's, Strategic Groups, VRIO etc.) in which the firm is operating. It is important you apply the Diamond Model. Students will use knowledge gained in the course to apply strategic analysis and framework. This case analysis will be graded both on thoroughness and detail as well as how well, the analysis highlights the "so what" implications of the internal and external analysis.

You must additionally include solutions, which constitute the recommendations you as a consultant are making to the client. This portion will be graded on how well the proposed solution demonstrates an understanding of the client's strategy, an assessment of strengths and weaknesses including internal and external strategic fit, as well as how proposed solutions are argued to improve strategic fit and performance. The recommendation will be graded based on the specificity of the recommendation, detailing timelines, costs, risks, and contingencies.

The presentation should be no more than 15 minutes and must include each of the group members in each group presenting. Endnotes and exhibits can take additional slides as necessary and may not be presented.

## PEER REVIEW ADJUSTMENT

The purpose of the peer review adjustment is to offer an opportunity for team members to provide an accurate reflection of each students' contribution to group work. Past experience with group work has shown that most troubles arise because: a) individuals do not respect the group process, and b) there is lack of proper communication among group members.

The first group meeting should happen as soon as possible so that parameters are set right away (e.g., when the group will meet virtually, what collaborative tools they will use, what are the expected standards of work, when are the milestones, when are the internal deadlines, and how will preliminary assignment of individual tasks be determined). Your first step should be the development of an online group calendar that can block off individual commitments and highlight dates and times that are free for all group members so that coordination of meetings is seamless. The worst thing you can do is surprise your group with a long-standing commitment at the last minute. This is what typically starts group work off on the wrong foot.

To assist you in coming to terms with group members who may not be performing up to standards, you are encouraged to complete an interim draft version of the peer evaluation form and use it to guide discussion within your team. This is for your own development and does NOT need to be submitted to the instructor. Everyone on the team deserves feedback and it is important that you provide it early (around the 50% of work done mark) and definitely prior to the completion of the second residency. The instructor will only require a final peer review adjustment form to be signed and submitted towards the end of the course within 3 days of the deadline of group work.

If problems persist during the term, it is imperative that they are raised and documented to the instructor and TA as early as possible. A certain level of group disharmony is typically present in every group project. Your ability to manage through the conflict and leverage the talents of each individual will suit you well. As you know, this important skill will also serve you in your workplace environment outside of the MBA program where collaborative group work is ever present. Ultimately, if the group is unable to manage a performance issue, it should be brought to the attention of the instructor and TA as early as possible during the term.

The peer review adjustment may reduce the final mark of a group assignment for a particular student **by up to 25%**. In other words, if a group receives a grade of 85% for an assignment, an instructor may choose to adjust that final grade down to as far as 60% if the peer review adjustment form indicates that an individual did not complete his/her fair share. Please note, the downward adjustment of up to 25% is the maximum adjustment that can be assigned. An instructor may choose NOT to apply an adjustment and may choose to assign a penalty that is only a fraction of what his/her peers recommended.

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### COMMUNICATION AND FEEDBACK

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Students that are uncomfortable in directly approaching an instructor regarding a course concern may send a confidential email to the Program Director. 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. Marks for all evaluation activities will be posted on Avenue. Your final grade will come through Mosaic and will not be posted



on Avenue.

Students should be aware that when they access the electronic components of this course, private information such as first and last names, usernames for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

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### ***ACADEMIC DISHONESTY***

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You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g., the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at:

[www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity)

The following illustrates only three forms of academic dishonesty:

1. Plagiarism (e.g., the submission of work that is not one's own or for which other credit has been obtained)
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations

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### ***STUDENT ACCESSIBILITY SERVICES***

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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>

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## **POTENTIAL MODIFICATION 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.

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## **ACKNOWLEDGEMENT OF COURSE POLICIES**

Your registration and continuous participation (e.g., on Avenue, in the classroom, etc.) to the various learning activities will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during classes and/or on Avenue. It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly. Lack of awareness of the course policies cannot be invoked at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

### **Missed Deadlines**

All deadlines **MUST** be adhered to in this course. Any material that is submitted after the deadline without approved documentation will **NOT** be evaluated and will receive a mark of **ZERO**.

### **Important Course Dates**

May 5 <sup>th</sup>	Course Opens
May 26 <sup>th</sup>	<i>Starbucks Case Analysis due 11:59pm</i> <i>Guest Speaker in Class – Must attend class</i>
June 9 <sup>th</sup>	Simulation Assignment Phase 1 starts
June 16 <sup>th</sup>	Guest Speaker - Reflection Paper Due 11:59pm
June 23 <sup>rd</sup>	Simulation Assignment Phase 2 starts
June 30 <sup>th</sup>	Simulation Assignment Phase 3 starts
July 7 <sup>th</sup>	Simulation Final Report due at 11:59pm
July 21 <sup>st</sup>	Final Presentations – MGM Case
July 28 <sup>th</sup>	Final Case Assignment Due (11:59pm)

**COURSE SCHEDULE**

BLOCK	DATES	VIDEOS, READINGS, ASSIGNMENTS, TESTS, AND MEETINGS
<b>Week 1</b>	May 5	<ul style="list-style-type: none"> <li>• Course Introduction</li> <li>• Group Allocation</li> <li>• What is Strategy</li> <li>• What is Strategy? - pre-work read (courseware)</li> </ul>
<b>Week 2</b>	May 12	<ul style="list-style-type: none"> <li>• Internal and External Analysis</li> <li>• PESTLE Analysis – Webinar pre-work video <a href="https://www.youtube.com/watch?v=Gv5fza6wHE4">https://www.youtube.com/watch?v=Gv5fza6wHE4</a></li> </ul>
<b>Week 3</b>	May 19	<ul style="list-style-type: none"> <li>• Business Strategy</li> <li>• Pre-work: HBR Starbucks AND LEGO Case Study (courseware)</li> </ul>
<b>Week 4</b>	May 26	<ul style="list-style-type: none"> <li>• Group Activity – Asynchronous class</li> <li>• Pre-work: Home Depot CTO Interview</li> </ul>
<b>Week 5</b>	June 2	<ul style="list-style-type: none"> <li>• Guest Speaker</li> <li>• Reflection Paper expectations based on this class – this class will not be recorded</li> <li>• <i>Starbucks Case Analysis Due</i></li> </ul>
<b>Week 6</b>	June 9	<ul style="list-style-type: none"> <li>• Start intrateam discussion to build company profile: during the class; M&amp;A Simulation</li> <li>• Informal Class</li> </ul>
<b>Week 7</b>	June 16	<ul style="list-style-type: none"> <li>• Porter’s Diamond Model</li> <li>• Pre-work: Porter Diamond Video <a href="https://www.youtube.com/watch?v=cGiJNylyGZ8">https://www.youtube.com/watch?v=cGiJNylyGZ8</a></li> <li>• Completion of Pre-merge questions</li> </ul>
<b>Week 8</b>	June 23	<ul style="list-style-type: none"> <li>• Corporate Strategy</li> <li>• Completion of Phase 2: June 21, 2021 (Selection of other companies to merge with)</li> </ul>
<b>Week 9</b>	June 30	<ul style="list-style-type: none"> <li>• Negotiation with other companies: June 28, during class - may continue negotiation if an agreement is not reached in class.</li> <li>• Informal Class</li> </ul>
<b>Week 10</b>	July 7	<ul style="list-style-type: none"> <li>• Implementation Strategy: Time to execute</li> <li>• Completion of Phase 3: July 5, 2021 (completion)</li> </ul>

		of post merge questions and report submission).
<b>Week 11</b>	July 14	<ul style="list-style-type: none"> <li>• Innovation &amp; Strategy</li> <li>• Pre-work: HBR Case: Walt Disney (courseware)</li> <li>• Simulation Results</li> <li>• Final report due (max 5 pages): July 12</li> </ul>
<b>Week 12</b>	July 21	<ul style="list-style-type: none"> <li>• Office hours</li> <li>• Group work on Final Presentations</li> </ul>
<b>Week 13</b>	July 28	<ul style="list-style-type: none"> <li>• Final Presentations MGM Case (courseware)</li> <li>• Final Report: July 28th Submission at 11:59PM</li> </ul>