

**MBA P720
Strategic Management
Fall 2011 Course Outline – Section 4
Strategic Market Leadership and
Health Services Management Area
DeGroote School of Business
McMaster University**

COURSE OBJECTIVE

The purpose of this course is to enhance your ability 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. Your role in this course is to correct organizational failures and expand upon organizational successes, however failure and success may be defined. 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

Brian Coon
Instructor
bcoon@mcmaster.ca
Office: RJC 217E
905-525-9140 ext.20692
Office Hours: By Appointment
Class Location: RJC-313
Section 4 : Friday 11:30 – 14:20

Course Website: <http://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

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
- Effectively communicate change management strategies in various forums to an array of audiences with accuracy, clarity, specificity and professionalism.

REQUIRED COURSE MATERIALS AND READINGS

Strategic Management, Competitiveness and Globalization: Competitiveness and Globalization (Concepts), 2nd or 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.

OPTIONAL COURSE MATERIALS AND READINGS

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.

EVALUATION

Components and Weights

Class Participation	20%
Case Reports (2 reports)	10%
Group Project: 1 report (30%) & 2 presentations (10%)	40%
Exam	30%
Total	100%

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	LETTER GRADE	PERCENT
A+	90 - 100	C+	60 - 64
A	85 - 89	C	55 - 59
A-	80 - 84	C-	50 - 54
B+	75 - 79	F	00 - 49
B	70 - 74		
B-	65 - 69		

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.degroot.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.

Instructors should 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.

Class Participation and Case Discussion (20%)

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 discussed 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. 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, 1 to 2 marks depending upon your contribution. 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 (10%)

You will be responsible for answering the two case discussion questions (pg. 11). Your answers for each question must not exceed one page in length. Consequently, you must provide brief, concise answers. Case choice will be determined by random draw 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) (40%)

You are required to belong to a group of 4-5 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 two professional group presentations.

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.13). **Each evaluation should be signed by the author and allocate to each team member a score between -10% and +10%. The total for all group members must equal zero.**

1. Written report submission (30%)

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 sections: (1) A cover page listing team members; (2) Table of contents; (3) Executive Summary; (4) Company Background/History; (5) Analysis section (including Environmental/Industry analysis/Future trends, Competitor analysis, Company *SWOT analysis, and Tracking/Discussion of company performance over time; at least 5 years); (6) Important issues and problems faced by the company and reasonable solutions to these issues/problems; (7) List of references; (8) Exhibits (Tables and charts).

*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).

** In your five forces analysis, you may include the “complementer” if it is relevant in the industry.

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 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.

Recommended Course of Action

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

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%: 5% x 2)

Each group is required to make two presentations as follows:

- The first presentation focuses on industry and competitor analyses.
- The second presentation focuses on your target company analysis.

Each presentation should not exceed 15 minutes. A Q&A session (5-10 minutes) will follow the presentation. Dress code: business attire.

Exam (30%)

The final exam will be a take home case based exam requiring answers to specific questions. No make-up exam will be administered. If you miss the final exam, no grade will be given. Your submissions will be subject to “turnitin.com” for verification of authenticity. To see guidelines for the use of Turnitin.com please go to:

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

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 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 DeGroote website at:

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

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.

All applications for deferred and special final 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 term immediately following. There will be one common sitting for all deferred exams. Please refer to the MBA Calendar for further details.

If any exam 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 examinations on or before the last date for withdrawal from a course without failure (please refer to official university sessional dates). Students must forward a copy of such SAS accommodation to the instructor immediately upon receipt. 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/english/policystatement/policystatement.cfm>

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.

BONUS MARKS - McMASTER WORLD CONGRESS

Students have the opportunity to earn one (1) or two (2) bonus marks by attending the McMaster World Congress which takes place from Mon., Feb.1st to Tue., Feb.2nd, 2010 at CIBC Hall of the MUSC. This year's theme is Economic Crime prevention. Students are required to attend two (2) presentations for one bonus mark and four (4) presentations for two bonus marks. Students will NOT be charged a registration fee. If students wish to attend any extra sessions, they may do so for a small administrative fee. Students are NOT entitled to attend meals and social functions. These special sessions require an extra fee. All students must pre-register for their bonus sessions in the DSB lobby during the two weeks prior to the conference. Business attire is mandatory at the conference. See conference website below for more details:

<http://worldcongress.mcmaster.ca>

COURSE SCHEDULE

MBA P720 Strategic Management Course Schedule Fall 2011

Week: Date	Topic	Assignments
1: Sep. 16	Course Introduction, Strategic Management Concepts	Reading: HIH Chapter 1 & 2, & “What is Strategy?”(Porter)
2: Sep. 23	External Environment & Competition	Reading: HIH Chapter 3, Case 1: The Chinese Fireworks Industry
3: Sep. 30	Internal Environment & Resources	Reading: HIH Chapter 4 Case 2: WestJet The Pearson Decision
4: Oct. 7	Business-Level Strategy	Reading: HIH Chapter 5, Case 3: Haier: Taking a Chinese Company Global
5: Oct. 14	Competitive Dynamics	Reading: HIH Chapter 6 Case 4: Progressive Corporation
6: Oct. 21	Strategy in High-Tech Industries	Reading: HJ Chapter 7 Case 5: Apple 2008
7: Oct. 28	Group Presentation I	Group Presentation I
8: Nov. 4	Corporate Strategy	Reading: HIH Chapters 7&8 Case 6: Kodak
9: Nov. 11	Cooperative Strategy & Alliances	Reading: HIH Chapter 10 Case 7: Renault-Nissan Alliance
10: Nov. 18	International Strategy	Reading: HIH Chapter 9, Case 8: Silvio Napoli at Schindler India
11: Nov. 25	Corporate Governance and CSR	Reading: HIH Chapter 11
12: Dec. 2	Group Presentation II	*Group Project Reports Due
13: Dec. 9	MBA Field Test	MBA Field Test

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

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

Case Questions

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: WestJet: The Pearson Decision

1. What are the key aspects of WestJet’s current business model and how does it compare to its competitors? Who are WestJet’s competitors and will this change if WestJet moves to Pearson?
2. What are the viable options open to WestJet? Describe in one sentence – a) how competition likely affects WestJet under each option; b) the risks under each option; and c) the opportunities for growth under each option. (Use of a table might be best for question 2).

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?
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: Silvio Napoli at Schindler India

1. What advice would you offer Silvio regarding his decision on the non-standard glass wall elevator that has been ordered?
2. How should he deal with the transfer price challenge & limited technical support from Europe?

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

MBA P720 TEAM ROSTER

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

PEER EVALUATION

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

Notes:

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

Your name (print): _____

Your signature: _____ Date: _____