

**STRATEGIC MANAGEMENT
MGT 5385
FALL 2008**

Instructor:	Dr. Patsy Norman	Office Hours:
Office:	Graduate Center 246	MW 11:00-11:45am
E-Mail:	Patricia_Norman@baylor.edu	MW 1:30-3:00pm
Telephone:	254-710-6196 (office) 254-412-0678 (home)	and by appointment

COURSE MATERIAL

1. Jim Collins. 2001. *Good to Great. Why Some Companies Make the Leap... and Others Don't*, New York: HarperCollins
2. Harvard Cases can be accessed using the link below:
<http://harvardbusinessonline.hbsp.harvard.edu/relay.ihtml?name=cp&c=c23538>
3. Other readings will consist of articles from *Harvard Business Review*, the *Academy of Management Executive*, and other journals. All articles are listed with their respective citation at the end of this syllabus. You should read these before class. Unless noted otherwise, you can obtain these articles through Business source complete (Online: Ebsco Publishing (Firm)) from the Baylor University Library Electronic Resources database prior to the beginning of class. In addition, you should also have access to *Business Week*, *Fortune*, *The Wall Street Journal*, or other popular business publications. The input from these sources will enrich your ideas and perspectives about strategic management.

BAYLOR UNIVERSITY HONOR SYSTEM

Ethics are an integral feature of all personal, social, and professional considerations. Competency in thinking ethically and accepting responsibility for one's actions is essential to personal and professional development. Baylor graduates are committed to their intellectual, ethical, professional, and social development throughout life.

Baylor MBA students have affirmed their commitment to ethical and professional conduct specifically agreeing in writing to the following:

- Affirmation of Expectations of Professional and Academic Conduct
- Guidelines for Citations and References
- Constitution of the Baylor University Honor System

CLASS ATTENDANCE

University policy concerning absenteeism is detailed in the Class Attendance section of the Student Handbook. The policy states: "A student who misses more than 25 percent of the class meetings of a course automatically fails." As per university policy: "The student bears the responsibility for the effect absences may have upon class participation, announced and

unannounced examinations, written assignments, reports, papers and other means of evaluating performance in a course."

On-time attendance is required for all classes. Students must be in their seats and ready for class at the scheduled start time of the class in which they are officially enrolled. A late arrival to a class will be counted as an absence from the class and, therefore will be subject to the university absenteeism policy.

PLAGIARISM

Students agree that by taking this course, all required papers, exams, class projects or other assignments submitted for credit may be submitted to turnitin.com or similar third parties to review and evaluate for originality and intellectual integrity. A description of the services, terms and conditions of use, and privacy policy of turnitin.com is available on its web site: <http://www.turnitin.com>. Students understand all work submitted to turnitin.com will be added to its database of papers. Students further understand that if the results of such a review support an allegation of academic dishonesty, the course work in question as well as any supporting materials may be submitted to the Honor Council for investigation and further action.

COURSE DESCRIPTION

This course provides you with an opportunity to discover how businesses and corporations formulate (plan), implement, and control their strategies. In addition, we will learn about conditions and characteristics necessary for strategic success by using examples of companies that succeeded or failed.

As the framework for how they will approach customers, competitors, and employees, the strategic plan and its associated processes initiate critical activities in the company. Therefore, we will seek to identify issues and problems facing companies in the formulation of their strategies.

The effective implementation of strategies continues to be one of the greatest challenges facing organizations today. Compared to the more stable environment of past decades, the hyper-competitive arena in which most firms reside increases the challenge of implementation further. Therefore, we will also examine how companies can effectively implement their plans once they have been formulated.

Strategic control is the ongoing process by which corporate and business level activities and performance are monitored and evaluated. That is, once a firm has started its journey toward a competitive advantage, strategic control causes us to scrutinize whether the firm is moving in the right direction and to make necessary adjustments. In conjunction with formulation (planning) and implementation, you will be able to scrutinize a firm's strategic management and help direct it toward building, achieving, and sustaining its competitive advantage.

MBA LEARNING GOALS

The learning goals for the MBA program are:

1. To understand and apply theoretical knowledge in integrated fundamental areas of accounting, economics, finance, information systems, marketing, operations management, organization behavior, quantitative business analysis, and strategic management;
2. To think critically, to solve problems effectively, and make decisions strategically across functional areas;
3. To work collaboratively with others in cross-functional teams, and to motivate, lead, and mentor others;
4. To articulate ideas and information effectively and persuasively in every business context.
5. To apply core ethical values of integrity, accountability, and service in all circumstances.

COURSE OBJECTIVES

The primary emphasis in this course is on goals 1, 2, and 4 above. Specific course objectives include:

1. Acquire an ability to identify successful from unsuccessful strategic processes and strategies.
2. Understand the role of senior management and other organization members as well as the board of directors in the strategy process.
3. Recognize the complexity associated with developing a successful strategy.
4. Identify key issues related to the planning and implementation of business-level (competitive) strategy, competitive dynamics, corporate-level strategy, mergers & acquisitions, strategic alliances, and global strategy.
5. Experience opportunities to integrate knowledge and skills acquired through previous coursework and positions you have held. (MBA Learning Goal #1 above)
6. Develop an analytical approach to the evaluation of business issues and situations. Be able to critique firm actions and strategies using course and other MBA concepts and recommend appropriate, detailed strategies and actions to address the issues raised in the critique. (MBA Learning Goal #2 above)
7. Communicate competently, confidently, and professionally orally and in writing. (MBA Learning Goal #4 above)

COURSE REQUIREMENTS

Exams (2 @ 150 pts. each)	300 points
Class Contribution & Homework	230
Draft of Paper	20
Final Paper	250
Presentations (2 @ 75 pts. each)	150
Financial and Strategic Analysis	50
TOTAL	1,000 points

Exams:

There will be two exams in this course. They will cover the material we read and discuss during the term. **Both sections will take the mid-term exam together at 8:00 am.**

Class Contribution:

In the workplace, your ability to think critically and communicate your ideas in a precise, but concise manner is critical. In addition, you must be able to quickly analyze situations and respond to the challenges and questions of others. The class contribution component of this class will help you to work on these skills. In addition, diverse input from a variety of students contributes greatly to the learning environment of the class. Therefore, class contribution is critical to your success in this course. You must participate actively in the discussions in each class session. This component will be based on my daily assessment of the quality (substance/depth) and frequency of your in-class contributions. Absences and tardiness will adversely affect your class contribution grade.

Note that this portion of your grade includes homework assignments and quizzes.

Homework assignments are posted on Blackboard and are to be completed before class sessions. Each assignment is to be completed individually. Quizzes may be given at the beginning of any class session and will cover assigned readings. Each homework assignment/quiz is worth a total of 10 points and will be graded on the following scale: $\sqrt{+}$: 10 points; $\sqrt{}$: 8 points; $\sqrt{-}$: 5 points; and 0 points for assignments not completed or turned in late/absence during an administered quiz.

Paper (Strategic Issue Analysis):

You will write a paper analyzing a major strategic problem currently facing a firm. The company you choose should be publicly traded and be high profile to ensure that sufficient information is available to complete your analysis. The following companies cannot be used: the company that is used in your presentation, any company that is the subject of a case discussion in the class, and the focus firm company you studied, if any. **Each student must analyze a different company. Your selection must be approved by the professor.** Companies are available on a first come, first serve basis (according to receipt of e-mailed requests).

Your analysis **may not exceed ten double-spaced pages** (excluding bibliography and appendices) and should address the following topics:

Strategic Problem Facing the Firm: This section should briefly, but fully describe the problem that the firm faces and any adverse effects it has had or could have on the firm. Be sure to use specific facts, figures, or examples to justify and explain the scope of the problem.

Root Causes of the Problem: This section should analyze why the firm is facing the problem. There may be multiple causes and they may be internal and/or external. If appropriate, you should include a financial analysis, market analysis, or other appropriate analyses and discuss key findings in the text of your paper. Any appendices will not count as part of the ten-page limit, but they must be referenced and discussed in the body of your paper.

Recommendations: This section should provide an integrated set of specific and feasible recommendations for how the firm can address the root causes of the problem identified. For each recommendation, explain why you are making this recommendation—why it is needed and, if applicable, what concepts/theory from this class or other classes explain why this is an appropriate recommendation. You should also explain the benefits and costs of your recommendations. In addition, you should describe how these recommendations should be implemented. Important implementation details will vary, but may include items such as specific actions that the firm should take, the timing of these actions, how the firm can acquire and deploy the appropriate resources, etc. General recommendations such as “improve sales” are unacceptable. If you think that the firm must improve sales, explain how it can do this. For example, you might discuss what customers or markets the firm should target, how it should change its selling approach (e.g., specific changes to commissions and incentives to sales

people, bundling of products, partnerships with a specific firm or type of firm), etc. Note that your recommendations should not merely describe actions that are already being planned and/or implemented by the firm. Your recommendations should flow from your analysis and may differ from announced plans of the firm.

Metrics: This section should delineate the set of metrics that the company should use to monitor the implementation of your recommendations. Note that you are not to address the firm's full set of metrics, but are to provide a set of metrics tailored specifically to allow firm managers to monitor, and adjust as necessary, the implementation of your recommendations. The set of metrics you suggest should be comprehensive, yet parsimonious. In other words, the metrics should inform management about the various aspects of the recommendations that you have made, but you should be aware of the time and expense necessary to collect and analyze data for the set of metrics. Be specific about the metrics, both individually and as a set. Individually, what is the purpose of each metric you recommend, how is the metric calculated, how will the data be gathered to measure it, and how will managers use it to assess and, if necessary, to adapt your recommendations? As a set, how does the package of metrics work together to increase the likelihood that your recommendations will be successfully implemented and that the firm will perform successfully?

Citations and Sources: In the body of the paper, you should cite sources of your information. In addition, you should provide a bibliography (list of all sources) that you have consulted in performing your analysis. The bibliography should be on a separate page and will not count as part of your ten-page limit. If you do not properly quote material taken directly from other sources, cite sources for both quoted and non-quoted material, and/or the list of sources is absent or insufficient, this will adversely impact your grade and may constitute an honor code violation.

Appendices: Appendices can be included to support your analysis. **As noted above, any appendices will not count as part of the ten-page limit, but they must be referenced and discussed in the body of your paper.** General appendices (e.g., financial statements without your own comments, highlights, or analysis; full-text of annual reports) are not helpful. Appendices should be included to further support your analysis and recommendations. Appendices can be used in a number of ways. Examples include:

- In the first section of the paper (strategic problem description), you may discuss trends in revenues, profitability, or stock price. In the body of the paper, you should note how much and/or by what percentage the metric has changed (increased/decreased) over a given period (e.g., one year, three years). An appendix can provide a more detailed trend analysis. Similarly, if a comparison to competitors is appropriate, the body of the paper can highlight key comparisons, while an appendix can provide more detailed information.
- Your paper should provide the estimated costs for implementing your recommendations. An appendix can be used to explain how your estimate was created and to show any relevant calculations.

Due Dates and Submission Directions:

September 3rd: E-mail of company choice is due.

September 15th: A brief (2-3 sentences) description of the strategic problem and bullet points of actual and potential adverse effects of the problem is due. Turn in a hard copy at the beginning of class.

November 10th: A draft of your paper is to be e-mailed to me not later than noon on November 10th. I will review and provide suggestions about the content of your paper. The more complete your draft, the more helpful my comments will be. Please note the following things with respect to your draft:

1. I will not correct grammar or edit your writing. While the paper is an individual assignment and the content must be your own original work, I encourage you to seek assistance with editing your paper. The Writing Center (<http://www.baylor.edu/English/index.php?id=45826>) is a good source for this; they can help with your writing skills and will help proof papers for you.
2. While I will still be available to discuss any remaining issues with your paper after the draft is submitted, I will not review drafts submitted after November 10th.
3. This submission is worth 20 points. The number of points you receive will not reflect my assessment of the grade that I would assign were this a final version of your paper. Instead, it will reflect how complete a draft you have submitted, according to the following scale:
 - 20 points: A fairly complete draft that addresses all areas and shows sufficient research and effort.
 - 10 points: A draft is turned in, but fails to address necessary elements or lacks sufficient research. (In other words, it looks like you threw it together quickly to meet the deadline.)
 - 0 points: You do not turn in the draft before noon on November 10th.

December 3rd: **Paper is due in my e-mail inbox not later than the start of class on December 3rd**. You must submit your complete paper to me electronically in one PDF file (or Microsoft Word file if you are unable to create a PDF). You must also submit your paper to Turnitin. Note that you can submit your document in several forms to Turnitin (including Microsoft Word and PDF); however, Turnitin will reject PDF files in which the text cannot be recognized. **Your paper will not be graded unless it has been submitted to Turnitin.** This submission is done by clicking the “view/submit” link for the “Strategic Issue Analysis” listing found under the “Assignment” Tab on Blackboard.

Presentations:

In groups, you will complete two short presentations of a course topic and its practical application to business. These presentations will be prepared and presented jointly by all students presenting on a given day. The presentation has two parts. In the first part of the presentation, your group will identify and discuss key themes common to the articles, how the articles fit together or are complementary, and important areas of agreement and/or disagreement between the articles. You should also discuss how the day’s articles are related to other articles/topics covered in strategy and other core courses in the curriculum. Note that you should not summarize each article separately, but should integrate specifics from the articles into your discussion of themes, complementarities, similarities, and differences. In the second part of the presentation, your group will provide a company example that applies to the given topic. The example should be described for the class and explicitly tied to concepts discussed in the articles assigned for the day. You may use any available and appropriate sources to develop your company example. **You must turn in a hard copy of your slides before you present.** (It is recommended that you print them in black and white, 6 slides per page.)

All group members must present for roughly equal time. See the evaluation form posted on blackboard for specifics on the grading criteria. The content portion of the grade will be the

same for all group members, but the communication effectiveness portion will be assigned individually.

The ability to communicate concisely applies to oral as well as written communication. Therefore, **presentations should not exceed 10 minutes. Points will be deducted from presentations that last longer than the designated time period** (the question and answer period is excluded from this time limit).

Financial and Strategic Analysis:

Details about this assignment are posted on Blackboard.

Notes:

- 1. Late Work:** Late work will not be accepted. This applies to the paper, presentations, homework and other assignments, and the exams.
- 2. Individual Work:** The paper, the financial and strategic analysis, homework, and the exams for this course must be completed individually and independently.

GRADING SCALE

A	920-1000 points
A-	900-919 points
B+	880-899 points
B	820-879 points
B-	800-819 points
C+	780-799 points
C	720-779 points
C	700-719 points
D	600-699 points
F	599 points and below

DATE	TOPIC AND READINGS	ASSIGNMENTS/ PRESENTATIONS
Aug 25	<p>Course Overview & Introduction to the Field of Strategic Management</p> <p>“Motorola’s Market Share Mess” by O. Kharif & R. Crockett, <i>Business Week Online</i>, 7/14/2008</p> <p>“Motorola: The New CEO’s Real Challenge” by O. Kharif & R. Crockett, <i>Business Week Online</i>, 8/5/2008</p>	
Aug 27	<p>What is Strategy?</p> <p>“What is Strategy?” by M.E. Porter, <i>Harvard Business Review</i>, Nov-Dec 1996</p> <p>“Are you sure you have a strategy?” by D.C. Hambrick & J.W. Fredrickson, <i>Academy of Management Executive</i>, Nov 2005</p>	Homework
Sep 1	No Class—Labor Day Holiday	
Sep 3	<p>Strategic Planning</p> <p>“What’s Wrong with Strategy?” by A. Campbell & M. Alexander, <i>Harvard Business Review</i>, Nov-Dec 1997</p> <p>“Strategy as a Wicked Problem” by J.C. Camillus, <i>Harvard Business Review</i>, May 2008</p>	
Sep 8	<p>External and Internal Analysis</p> <p>“Profit Pools: A Fresh Look at Strategy” by O. Gadiesh & J.L. Gilbert, <i>Harvard Business Review</i>, May-Jun 1998</p> <p>“The Past and Future of Competitive Advantage” by C.M. Christensen, <i>MIT Sloan Management Review</i>, Winter 2001</p> <p>“Strategy as Stretch and Leverage” by G. Hamel & C.K. Prahalad, <i>Harvard Business Review</i>, Mar-Apr 1993</p>	Homework
Sep 10	Discussion of Financial and Strategic Analysis	Financial and Strategic Analysis Due
Sep 15	<p>Business Strategy</p> <p>“Competitive strategy. It’s O.K. to be different” by J.W. Bachmann, <i>Academy of Management Executive</i>, May 2002</p> <p>“Delivering Desired Outcomes Efficiently: The Creative Key to Competitive Strategy” by S. Chatterjee, <i>California Management Review</i>, Winter 1998</p>	<p>Strategic Problem Description Due</p> <p>Group Presentation</p>
Sep 17	<p>No Class—Guest Speaker @ 9:00</p> <p>Ms. Catherine Rohr, Founder and CEO, Prison Entrepreneurship Program</p>	
Sep 22	Case: To Be Determined	

Sep 24	<p>Competitive Dynamics</p> <p>“Maneuver Warfare: Can Modern Military Strategy Lead You to Victory?” by E.K. Clemons & J.A. Santamaria, <i>Harvard Business Review</i>, April 2002</p> <p>“King of the hill: Dethroning the industry leader” by K.G. Smith, W.J. Ferrier, & C.M. Grimm, <i>Academy of Management Executive</i>, May 2001</p>	Group Presentation
Sep 29	<p>Case: Intel vs. AMD (Case assignment to be posted on Blackboard.)</p>	
Oct 1	<p>Communication and Implementation</p> <p>“Strategy as Simple Rules” by K.M. Eisenhardt & D.N. Sull, <i>Harvard Business Review</i>, Jan 2001</p> <p>“Can You Say What Your Strategy Is?” by D.J. Collis & M.G. Rukstad, <i>Harvard Business Review</i>, April 2008</p>	Group Presentation
Oct 6	<p>Change</p> <p>“Why Good Companies Go Bad” by D.N. Sull, <i>Harvard Business Review</i>, Jul–Aug 1999</p> <p>“The Quest for Resilience” by G. Hamel & L. Välikangas, <i>Harvard Business Review</i>, Sep 2003</p>	Group Presentation
Oct 8	<p>Gillette Case</p> <p><u>From Business Source Complete:</u></p> <p>“Taking It on the Chin,” <i>The Economist</i>, 4/18/98</p> <p>“Gillette Loses Face” by J. Kahn, <i>Fortune</i>, 11/8/99</p> <p>“Jim Kilts in An Old-School Curmudgeon” by K. Brooker, <i>Fortune</i>, 12/30/02</p> <p><u>Harvard Case:</u> “Gillette Company (C): Strategies for Change”</p>	Homework
Oct 13	<p>Innovation</p> <p>“Disruptive Technologies: Catching the Wave,” by Joseph L. Bower & Clayton M. Christensen, <i>Harvard Business Review</i>, Jan-Feb 1995</p> <p>“Blue Ocean Strategy” by W.C. Kim & R. Mauborgne, <i>Harvard Business Review</i>, Oct 2004</p>	
Oct 15	<p>Case: To Be Determined</p>	
Oct 20	<p>Exam (Both sections will take the exam at 8:00 am)</p>	
Oct 22	<p>Corporate Strategy</p> <p>“From competitive advantage to corporate strategy” by M.E. Porter, <i>Harvard Business Review</i>, May-June 1987</p> <p>“Creating Corporate Advantage” by D.J. Collis & C.A. Montgomery, <i>Harvard Business Review</i>, May-Jun 1998</p> <p>“Divestiture: Strategy’s missing link” by L. Dranikoff, T. Koller, & A. Schneider, <i>Harvard Business Review</i>, May 2002</p>	Group Presentation

Oct 27	<p>Mergers & Acquisitions</p> <p>“Not All M&As Are Alike—and That Matters” by J.L. Bower, <i>Harvard Business Review</i>, March 2001</p> <p>“When to Walk Away From a Deal” by G. Cullinan, J-M. LeRoux, and R-M. Weddigen, <i>Harvard Business Review</i>, April 2004</p>	Group Presentation
Oct 29	<p>Guest Speaker</p> <p>Mr. David Reid, VP and Ethics Director, Texas Instruments</p>	
Nov 3	<p>Case: Daimler-Chrysler (Case assignment to be posted on Blackboard.)</p>	
Nov 5	<p>Cooperative Strategy</p> <p>“Launching a World-Class Joint Venture” by J. Bamford, D. Ernst, & D.G. Fubini, <i>Harvard Business Review</i>, February 2004</p> <p>“The Dark Side of Close Relationships” by E. Anderson & S.D. Jap, <i>MIT Sloan Management Review</i>, Spring 2005 (Note: Access the full-text version of this article through the ABI/Inform global electronic resource on the library website.)</p>	Group Presentation
Nov 10	<p>Wil-Mor Technologies Case</p> <p><u>Harvard Case:</u> “Wil-Mor Technologies: Is There a Crisis?”</p>	<p>Draft of Strategic Issue Analysis Due</p> <p>Homework</p>
Nov 12	<p>Global Strategy</p> <p>“Converting global presence into global competitive advantage” by A.K. Gupta & V. Govindarajan, <i>Academy of Management Executive</i>, May 2001</p> <p>“Beyond Offshoring: Assess Your Company’s Global Potential” by D. Farrell, <i>Harvard Business Review</i>, December 2004</p>	Group Presentation
Nov 17	<p>Case: To Be Determined</p>	
Nov 19	<p>Corporate Governance</p> <p>Review Sarbanes-Oxley Slides (posted on Blackboard)</p> <p>“Five years under the thumb—Sarbanes-Oxley,” <i>The Economist</i>, 7/28/2007</p> <p>“Keeping SarbOx is Crucial” by Annette L. Nazareth, <i>Business Week</i>, 11/13/2006</p> <p>Read Warren Buffet’s comments on corporate governance in the 2002 Berkshire Hathaway annual report. This section is on pp. 16-21 of the report (pp. 17-22 of the PDF file). The annual report can be access on the internet at the following address: http://www.berkshirehathaway.com/2002ar/2002ar.pdf</p>	

Nov 24	<p>Corporate Governance</p> <p>“Board of Hard Knocks” by N. Brynes & J. Sasseen, <i>Business Week Online</i>, 9/17/2007</p> <p>“Building an Effective Board” by L. Sherwin, <i>Bank Accounting & Finance</i>, Aug 2003</p> <p>“Should Boards Be More Engaged in Strategy?” by D. Nadler, <i>Directorship</i>, Nov 2004</p>	
Nov 26	<p>No Class—Thanksgiving Break</p>	
Dec 1	<p>Morgan Stanley Case</p> <p><u>Harvard Case</u>: “The Board of Directors at Morgan Stanley Dean Witter (A)”</p> <p><u>From Wall Street Journal (Library Archive)</u>: “Delayed Reaction at Morgan Stanley, Board Slowly Faced Its Purcell Problem,” 8/5/2005</p>	
Dec 3	<p>Good to Great by Jim Collins</p>	<p>Strategic Issue Analysis Paper Due</p> <p>Homework</p>
Dec 8	<p>Good to Great by Jim Collins</p>	

Final Exam: Monday, December 15th, 4:30-6:30pm