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University of Southern California
Marshall School of Business

BUAD 497: STRATEGIC MANAGEMENT Fall 2007

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Prerequisites: 1 from (BUAD-250b or BUAD-301 or BUAD-305) and (BUAD-304 and BUAD-306 and BUAD-307) and 1 from (BUAD-302 or BUAD-302T) *Corequisite:* 1 from (BUAD-311 or BUAD-311T)

COURSE DESCRIPTION

This course introduces the concepts, tools, and first principles of strategy formulation and competitive analysis. It is concerned with managerial decisions and actions that materially affect the success and survival of business enterprises. The course focuses on the information, analyses, organizational processes, and skills and business judgment managers must use to design strategies, position their businesses and assets, and define firm boundaries, to maximize long-term profits in the face of uncertainty and competition.

Strategic Management (BUAD 497) is an integrative and interdisciplinary course in two important respects:

1. The course assumes a broad view of the environment that includes buyers/consumers, suppliers, technology, economics, capital markets, competitors, government, and global forces and it assumes that the external environment is dynamic and characterized by uncertain changes. In studying strategy, this course draws together and builds on all the ideas, concepts, and theories from your functional courses such as Accounting, Economics, Finance, Marketing, Organizational Behavior, and Statistics. However, it is much more than a mere integration of the functional specialties within a firm.
2. The course takes a *general management* perspective. It views the firm as a whole, and examines how policies in each functional area are integrated into an overall competitive strategy. We designed this course to develop the “general management point of view” among participants. This point of view is the best vantage point for making decisions that effect long run business performance. The key strategic business decisions of concern in this course involve determining and shaping organizational purpose to evolving opportunities, creating competitive advantages, choosing competitive strategies, securing and defending sustainable market positions, and allocating critical resources over long periods. Decisions such as these can only be made effectively by viewing a firm *holistically*, and over the long term.

This course is intended to help you develop skills for formulating strategy. These skills will help you in whatever job you take after graduation as well as in your personal investing and choice of employment. The strategy formulation process demands the mastery of a body of analytical tools and the ability to take an integrative point of view. You will develop these skills through:

- In-depth analysis of industries and competitors
- Prediction of competitive behavior
- Techniques for analyzing how firms can develop and sustain competitive advantages over time

NOTE: BUAD 497 is a core course taught by several instructors. Policies regarding assignments and grading may be different for each instructor. Be sure to refer ONLY to this syllabus.

EDUCATIONAL OBJECTIVES

Theory and Concepts. The central concept of this course is that of competitive strategy. Definitions abound, but they all share some sense of the allocation of critical resources over relatively long periods in pursuit of specific goals and objectives. Successful strategies exploit external conditions, entrepreneurial insights, and internal resources, seeking configurations of prices, preferences, technologies, and information that offer opportunities for sustainable competitive advantage. Strategy can be usefully thought of as the comprehensive alignment of an organization with its future environment.

Success, however, depends not only on the soundness of the strategy, but also on its effective implementation through appropriate organizational and administrative choices. In the end, unforeseen external factors may cause a well-conceived and executed strategy to fail, in spite of its initial wisdom -- but a poor strategy badly executed increases the chances of failure. Opportunities to act strategically often do not come labeled as "strategic" and occur infrequently. If missed, or mismanaged, they can prove disastrous for any firm.

Understanding the concept of competitive strategy formulation is a primary educational objective of this course. This will involve mastering an array of economic, strategic, and organizational concepts and theories, and acquiring an integrative general manager's point of view. The course will cover theories for in-depth industry and competitor analysis, for anticipating and predicting future industry developments, and for examining the impact of change (in technologies, tastes, government regulations, global competition, and other important environmental forces) on competition and industry evolution. The course will also examine the economic underpinnings of competitive advantages, and the fundamental conditions that allow firms to conceive, develop, and sustain, advantageous strategic positions. While our primary focus will be on mastering strategy formulation at the business unit or competitive level, the course will also examine corporate and global strategy issues such as diversification, vertical integration, economies of scope across related businesses, the transfer of technology and core competencies, and international expansion and growth.

Analytical Skills. Theoretical concepts are a great aid to understanding, but by themselves, they do not help resolve real business problems or challenges. Also needed are analytical skills and techniques that can be applied to the data to "fill in" the facts and premises assumed in the theories. A second educational objective is further to increase each student's inventory of useful analytical skills and tools. Some of the tools are quantitative -- analyzing financial statements, computing comparative buyer costs, and calculating the effects of scale and learning on production costs, for example -- while others are qualitative. Learning how to apply these techniques, and, more importantly, when to apply them is a key objective of the course.

In learning to *size-up* a business and its problems or opportunities, this course will require you to conduct "full blown" strategic analyses. That is, identifying firms' strategies and testing them for consistency, recognizing potential entrepreneurial opportunities and strategic challenges/problems, selecting and establishing competitively protected market niches, identifying competitive advantages and shaping defenses to circumvent the advantages of rivals, formulating and implementing internally consistent business strategies, and designing efficient and effective organizations.

Rhetorical Skills. The best analysis in the world will have little effect if it cannot be communicated to others. Managers must be able to articulate their views coherently and persuasively, and they must be skilled at understanding and analyzing other points of view. Management is a "verbal sport;" perhaps 90% of a typical manager's day is consumed by oral communication. Time is often scarce. You must learn to make convincing arguments and to make them quickly, or the merits of their ideas are likely to become simply irrelevant. This skill takes practice, and we will place a great deal of emphasis on it in class.

Wisdom. Much of the knowledge that successful managers and consultants employ consists of "rules of thumb" about what issues are likely to be important in certain kinds of business situations. These rules of thumb, or heuristics, are often implicit in the thinking of people who have never bothered to articulate them explicitly. A fourth goal of this course is to help you build up your set of useful "stories" and heuristics for your future managerial careers.

In this course, we are as much interested in developing an appreciation for the *art* of management as we are in understanding the *science* of management. Tools alone will not a strategist make. While the ability to master

analytical models, frameworks, and tools is essential, ultimate success is more strongly predicated on prescient judgment, entrepreneurial insight, iconoclastic vision, and a willingness to act forcefully with conviction.

COURSE FORMAT AND THE CASE DISCUSSION METHOD

In order to achieve the objectives of the course, we will devote the majority of our class time to the analysis and discussion of selected management, competitive strategy, and business policy cases. Occasional lectures will be given to elaborate on key theoretical models and frameworks or to reinforce crucial concepts. These lectures, however, will be subordinate to the case analysis. Cases provide a natural "test-bed" for theory and provide vivid examples that aid memory of concepts. While nothing can surpass first hand personal industry and managerial experience as a basis for analysis and decision-making, case analysis is an indispensable proxy for the kind of knowledge that can only be gained through years of experience and research. A mix of old and new business cases has been selected on a range of companies from a variety of industry settings. Each case is intended to teach us something specific, yet each can teach many things. We will not attempt to exhaust each case of all its learning experiences, but rather build up a "war chest" of analytical tools, skills and insights, progressively over all the selected cases.

There are other reasons for employing the case discussion method of instruction. First, it allows you to develop skills at problem definition in addition to problem solving. Cases typically do not have an obvious set of tasks whose performance will lead to mastery. Rather, they force you to sift through a mass of information, some of it irrelevant or contradictory, in order to identify the important or strategic issues. Second, the case method gives you a chance to deal with ambiguity. Most cases do not have obvious "right" answers. Managers must be able to function in situations where the right answer is not known, without falling into the trap of assuming that any answer is as good as another. Some analyses and proposed strategies are clearly wrong, and some are clearly better than others are. A popular phrase in case analysis classes is "**There are no right answers, but there are wrong answers.**" Case discussion techniques provide a chance to learn the *meaning* of analytical rigor in situations other than open-and-shut problems.

These rationales are offered because the case method is unfamiliar to most of you and frequently causes initial confusion. There will be many times when I will not reveal my own opinions about a particular issue, and there will be many cases that do not end up neatly packaged with an "answer." You may discover that your preparation "misses" key points of a case, especially at first. This is a normal part of the learning experience.

While we will direct class discussions, the quality of your learning experience will be directly determined by: (1) your degree of preparation, active listening, and participation, and (2) your classmates' preparation, listening, and participation. Some will not agree with you, and you may be asked to defend your argument or change your mind. So long as criticism is directed at arguments and not at individuals, is relevant to the issues at hand and coherently argued, it is very much welcomed.

Case Preparation. There are two types of cases: video and written. Both forms provide you with information essential for subsequent discussion and debate but do so with different methods and constraints.

1. The video cases are only shown at the beginning of class. Their purpose is to: (1) provide a realistic setting in which to observe strategy in action, (2) provide visual impact leading to greater understanding, and (3) reduce your costs of purchasing written cases. The video cases will require you to be able to put your understanding of relationships and issues into use in near "real time" a situation closer to that experienced by managers in high velocity environments. Your observational skills, short-term memory, insights, and judgments will be tested within a much faster time interval than in written cases where you will have time to read, contemplate, and discuss issues raised outside of class. However, because video cases are only shown at the start of the session and are not available outside of class, your prompt attendance is critical. You should arrange your schedule so that you arrive on time to not only understand the visual material but also not to interrupt the viewing and understanding of others. There is no assignment due on the days of video cases.
2. The second type of case is a written case and differs from the video case in that it requires careful preparation before class. The written case gives you time to think more deeply and to conduct more thorough analyses than the video case and hence I expect that the discussions and analyses will be more extensive. However, both the written and video cases require active *in-class* participation to ensure the class' success. Written case preparation should include:

- a. Rapidly read the assigned case and other materials to gain a general understanding of the industry, the firm, and the general competitive situation and issues.
- b. Carefully review the discussion questions provided in Blackboard for the session for clues as to what issues require special attention.
- c. Carefully re-read the case, taking notes that sort information, facts, and observations under a number of relevant headings. Use the discussion questions to guide your own thinking about the issues.
- d. Formulate theories or hypotheses about what is going on as you read ("the company loses money on small orders"), modifying or rejecting them as new information surfaces ("Table 2 shows that shipping costs per unit are higher for small orders, but only for long-distance shipments").
- e. Perform quantitative analyses, "crunching" whatever numbers are available. It is also very important to provide quantitative support wherever possible, particularly when exploring various hypotheses as to the nature and importance of certain phenomena. (If the requisite data are not available in the case, precise descriptions of what data are missing often triggers ideas for making creative use of the information that is available.) It is usually worthwhile to identify trends in the firm or industry, preferably with a quantitative measurement. Some of these trends, often very important ones, will not be flagged in the text of the case.
- f. Prepare definitive conclusions before you come to class concerning the issues raised in the discussion questions.
- g. Also, try and anticipate the sequence of likely events and both their first and second level outcomes so that you can both see what is likely to happen and how your recommendations may change them.
- h. Bring your detailed notes with you to class to help guide your interventions in class discussions.

You are strongly encouraged to form *study groups* that regularly meet to share insights and ideas about the assigned cases. While this is voluntary, experience shows that satisfactory performance in this course, and a good grade, depend on it.

WARNING! There is a good chance that you will feel a bit confused or overwhelmed during the first module, or two, of the course. This is a byproduct of the peculiar structure of the strategy course that does not build up linearly by successively adding components of knowledge week by week. Rather, every case in a sense contains all the material in the entire course. Furthermore, the early theoretical concepts probably will not have much meaning for you until you have worked through a few cases. As a result, there is no logical way to begin except by immersion.

COURSE EVALUATION

Course grades will be determined by individual and group activities:

Group written strategy analysis (Part 1a due Session 12)	5%
Group written strategy analysis (Parts 1b and 1c due Session 27)	10
Group case presentation (1)	10
Group challenge team (2)	10
Group short company presentation	15
Individual commitment and participation	10
Individual quizzes (drop lowest)	15
Individual final exam	25
	100%

In order to pass this course successfully, a passing grade (> 50%) must be achieved in the group and in the combined average of the individual components.

Please note that if your individual performance in the course is unsatisfactory, it will not be brought up by a good group grade.

The distribution of grades will closely follow the guidelines of the Marshall School of Business.

Group Written Strategy Analysis. You will write one 30 page strategic analysis of an organization as part of a group. The evaluation criteria, format, and proposed list of organizations for you to choose are in Appendix A. The group strategy analysis will include a detailed analysis of the industry within which it competes, the organization's source of competitive advantage, the sustainability of the firm's competitive advantage, and a strategic plan for the organization's future. The list of potential organizations includes both for-profit and non-profit organizations. If you select a non-profit, please see me for specific instructions. The 30-page analysis is due in the second to last week of classes. Sign-ups will be on a first-come first-serve basis. Groups that do not choose a firm for analysis will be assigned one. Please meet with me as early as possible to discuss your group paper. **Your choice of organization must be turned into me not later than Session 6. Part 1a of the assignment (see Appendix A) is due (submitted through Turnitin – see below) not later than Session 12 and the remainder of the assignment (Part 1b through 1c) must be turned into me through Turnitin not later than Session 27.**

Group Case Presentation. You will participate in one brief case analysis presentation to the class as part of a group. You will make your group presentations using audiovisuals and use your business communication skills to explain and defend your conclusions. Presentations should take approximately 1 hour: 30 minutes for the presentation and 30 minutes to answer audience questions. Your presentations will be evaluated on your audiovisual materials turned in at the start of the session, your oral presentation, and your answers to questions. The evaluation form is posted in Blackboard.

Group Challenge Teams. When a team is presenting their case analysis, I expect everyone in the class will be able to ask questions. In order to maintain a high level of interaction and discussion, two non-presenting groups will be designated as "Challenge Teams." Their task is to prepare questions for the presenting team based on their own independent analysis of the case. The role of "Challenge Team" rotates from one case to another so that all teams have opportunities to both present and challenge. Your challenge team will be evaluated on your case preparation notes (see item #2 under Case Preparation above for details) and on the depth and relevance of your questions during the presentation. At the end of the session, each challenge team should turn in both their previously prepared typed written case notes of the case and a hand written list of the key questions they asked during the session.

I will make time available at the end of the third class for you to form yourselves into four person teams. Each team will then randomly draw a number from 1 to 12, which will be your team number corresponding to the matrix of case assignments at the end of the class schedule in this document. This matrix indicates the one case for which your team is the presenter and the two for which you are the challenger. The matrix is organized so that teams have equally challenging cases and course coverage.

Group Short Company Analysis. In order to help you apply the course materials, two days near the end of the course are set aside for brief reports on a firm you select from a list of industries provided. These firms should be new to all members of your group and should not be your family business or one in which any of you have previously worked. There will be six presentations on one day and six the following in order to help the class see how you are able to apply the course materials to 12 firms not included in the syllabus. These short analyses should include an industry analysis as well as identification of the resources, capabilities, and sustainable competitive advantage together with your recommendation on whether to buy sell or hold their stock and to seek employment with them.

Peer Evaluations. Each of you will complete a peer evaluation of the members of your group case analysis/ challenge teams and another peer evaluation for your short company analysis team (if different). The peer evaluation form is in Appendix B and another copy is in Blackboard intranet system for you to submit electronically through Blackboard. Your peer evaluation is due not later than the last day of class before the final exam period and your care in completing it forms part of your participation/commitment grade.

Individual Commitment and Participation. Because case courses require active participation in order to advance the learning of all participants, your overall commitment and attitude toward this course, and your daily active *verbal* participation in case discussions, will be closely monitored. In grading class commitment and participation, I will consider both the quantity and quality of your class contributions. Class participation is obviously a function of your preparation, skills, attitude, and willingness to commit yourself actively in front of colleagues and me. A classroom is a cost-free environment for experimenting and learning to "play the game." Make use of it. Shyness is no excuse.

With regard to quality, the dimensions include:

Relevance -- does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can actually detract from the learning experience.

Causal Linkage -- are the logical antecedents or consequences of a particular argument traced out? Comments that push the implications of a fact or idea as far as possible are generally superior.

Responsiveness -- does the comment react in an important way to what someone else has said? *Analysis* -- is the reasoning employed consistent and logical?

Evidence -- have data from the case, from personal experience, from general knowledge been employed to support the assertions made?

Importance -- does the contribution further our understanding of the issues at hand? Is a connection made with other cases we have analyzed?

Clarity -- is the comment succinct and understandable? Does it stick to the subject or does it wander?

I expect that you will make brief notes or outlines -- identify critical problems, "crank-all-the-numbers," do the financials, generate alternative recommended courses of action, and generate ideas for their implementation.

I will call on students *at random*, to take the lead in various aspects of class discussions at least once or twice during the semester. If you are not present, are late, or are not sufficiently prepared to make a substantial contribution to the class discussion, you will lose points for class contribution. If you make helpful comments, you will accumulate points for class contribution. Since it is unlikely that there will be enough opportunities to call on each of you more than once or twice, be warned that failure to be thoroughly prepared, on all occasions, can be devastating to your overall grade.

I score each of you at the end of each case discussion session using a 2 if you are present that changes to a 1 if you are late or leave early. For efforts above sitting in class, I upgrade to a 3, 4, or 5 depending on the quality of your participation. Attempts to dominate class discussion rarely result in consistent and significant contributions. Based on these scores, your participation cards, and peer evaluations I assign participation/commitment scores for the final point total based on the scoring sheet (developed several years ago by students at Marshall) in Appendix C.

Individual Quizzes. I will give short unannounced quizzes during the course to test the level of preparation for case discussions. These quizzes will be at the beginning of class and can be five to six multiple choice or short answer questions. No make-up opportunities are available if you are absent or late.

Individual Final Exam A final exam will ONLY be given during the exam time specified by the University. The exam will consist of questions on an exam case passed out to you one week prior to the exam. The format is similar to case presentations and discussions (e.g., you will be asked to diagnose the problem and make recommendations for action based on all the materials covered in this course). The anticipated times are listed in the course schedule attached at the back of the syllabus. However, you are responsible for confirming this date and time in the university schedule of classes. There is a link to the Schedule of Classes provided for your convenience within the Final Exam folder of Blackboard.

COURSE POLICIES

Attendance. Class attendance is critically important! All missed classes result in a loss in class contribution and participation points for that day. Habitual lateness (and leaving class early), for whatever reason, will be noted as evidence of low course commitment.

Participation Cards. At the end of each case discussion, students who actively participated in the discussion should turn in a Participation Card. These cards should list your name, the date, the case discussed that day, and a synopsis of your contributions during that day's discussion. The Participation Cards will be used in combination with my own daily evaluations to determine your participation grade for the day. For this purpose, please purchase a package of 3x5 index cards and bring them to each class.

Turn off all Communication and Entertainment Devices. Please note that all communication devices such as computers, cell phones, Blackberries, etc. capable of sending and or receiving electronic communication and all entertainment devices such as iPods or other MP3 players are to be turned off and kept off throughout the class

session. Receiving or sending communication or entertainment during class disrupts the learning environment and is rude to those around you.

Returned Assignments The Marshall School of Business policy for returning papers is as follows: Returned paperwork, unclaimed by a student, will be discarded after four weeks and hence, will not be available should a grade appeal be pursued by a student following receipt of his/her course grade.

COURSE MATERIAL

Case Package: The assigned cases for this course are available from the University Book Store. When necessary, I may place additional materials in the bookstore for you to purchase.

Text: Hitt, Michael A., R. Duane Ireland, and Robert E. Hoskisson [H.I.H]. *Strategic Management: Competitiveness and Globalization - Concepts*, Cincinnati, OH: Southwestern College Publishing, 7th edition, 2007.

This is an excellent text. It provides you with definitions of key terms, detailed descriptions of conceptual frameworks, and useful guidelines for undertaking various aspects of strategic analysis. You should refer to it constantly and use it to help fill in gaps in your understanding, add to your strategic analysis toolbox, and reinforce your skills. However, it is not a precise template for how I want you to analyze cases.

3x5 Cards: Please bring a deck of 3x5 cards to every class to record your participation (see above description).

COURSE COMMUNICATION: BLACKBOARD SYSTEM

I have posted the course syllabus and assignment information to the 497 folder for your section in Blackboard. I will also post additional course lecture notes/materials, further details on assignments, and general course announcements to this folder throughout the semester. You should develop the habit of checking the course folder on a daily basis. You can access Blackboard either by going to <http://totale.usc.edu/webapps/portal/frameset.jsp> or by going through the "My Marshall" portal <http://mymarshall.usc.edu>. You will need your UNIX password for either site.

IMPORTANT:

(1) Since e-mails sent to the class originate from the Blackboard system, it is your responsibility to you're your e-mail address to Blackboard by insuring that your Blackboard account settings forward your messages to your preferred internet provider (IP) account such as EarthLink, AOL, Hotlink, etc.

(2) Be certain that you include a recent digital color photograph of yourself within the personal information section, as I will use these to learn your names (important for your participation grade and future letters of recommendation).

ACADEMIC INTEGRITY

The following information on academic integrity, dishonesty, and the grading standard are placed here at the recommendation of the School of Business Administration Faculty and are taken from the [Faculty Handbook](#). Additional statements about academic integrity may be found in SCampus handbook available at the Topping Student Center and online at <http://www.usc.edu/go/scampus>. Further information may be obtained from the Office of Student Judicial Affairs and Community Standards at <http://www.usc.edu/student-affairs/SJACS/index>.

"The University, as an instrument of learning, is predicated on the existence of an environment of integrity. As members of the academic community, faculty, students, and administrative officials share the responsibility for maintaining this environment. Faculty has the primary responsibility for establishing and maintaining an atmosphere and attitude of academic integrity such that the enterprise may flourish in an open and honest way. Students share this responsibility for maintaining standards of academic performance and classroom behavior conducive to the learning process. Administrative officials are responsible for the establishment and maintenance of procedures to support and enforce those academic standards. Thus, the entire University community bears the responsibility for maintaining an environment of integrity and for taking appropriate action to sanction individuals

involved in any violation. When there is a clear indication that such individuals are unwilling or unable to support these standards, they should not be allowed to remain in the University.” (Faculty Handbook, 1994: 20)

Academic dishonesty includes: (Faculty Handbook, 1994: 21-22)

1. Examination behavior - any use of external assistance during an examination shall be considered academically dishonest unless expressly permitted by the teacher.
2. Fabrication - any intentional falsification or invention of data or citation in an academic exercise will be considered a violation of academic integrity.
3. Plagiarism - the appropriation and subsequent passing off another’s ideas or words as one’s own. If the words or ideas of another are used, acknowledgment of the original source must be made through recognized referencing practices.
4. Other Types of Academic Dishonesty - submitting a paper written by or obtained from another, using a paper or essay in more than one class without the teacher’s express permission, obtaining a copy of an examination in advance without the knowledge and consent of the teacher, changing academic records outside of normal procedures and/or petitions, using another person to complete homework assignments or take-home exams without the knowledge or consent of the teacher.

The use of unauthorized material, communication with fellow students during an examination, attempting to benefit from the work of another student, and similar behavior that defeats the intent of an examination or other class work is unacceptable to the University. It is often difficult to distinguish between a culpable act and inadvertent behavior resulting from the nervous tensions accompanying examinations. Where a clear violation has occurred, however, the instructor may disqualify the student’s work as unacceptable and assign a failing mark on the paper.

Turnitin

USC is committed to the general principles of academic honesty that include and incorporate the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one’s own academic work from misuse by others as well as to avoid using other’s work as one’s own. By taking this course, students are expected to understand and abide by these principles. All submitted work for this course may be subject to an originality review as performed by Turnitin technologies (<http://www.turnitin.com>) to find textual similarities with other internet content or previously submitted student work. Students of this course retain the copyright of their own original work, and Turnitin is not permitted to use student-submitted work for any other purpose than (a) performing an originality review of the work, and (b) including that work in the database against which it checks other student-submitted work.

STUDENTS WITH DISABILITIES

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m. – 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.

Appendix A: Group Written Strategy Analysis

1. Evaluation Criteria:

- a. Industry analysis (35%)
 - i. How well are the 5-forces identified?
 - ii. How well are the 5-forces used to answer the following:
 1. For whom is the industry potentially profitable now?
 2. How should the 5-forces be modified to insure future profitability for the focal firm?
- b. Competitive advantages of focal firm (45%)
 - i. How well are the firm's competitive advantages identified?
 - ii. How well are the firm's resources and capabilities analyzed as sources of competitive advantage?
 - iii. How well does the analysis fit the firm's actions to the changes in the industry structure needed to insure future profitability?
 - iv. How well is the sustainability of the firm's competitive advantages analyzed?
- c. Recommendations (20%)
 - i. How well do the recommendations fit with the industry and firm situation?
 - ii. How well would the recommendations insure abnormal returns for the firm?

2. Format

Length: 30 pages maximum. 20 pages for cover page, table of contents, and written analysis and 10 pages for attachments.

First page: Cover page with title, course title, number, and section, and each team member's name with e-mail address.

Second page: Table of Contents

Page 3-20: Content of your analysis.

Attachments: 10 pages to include supporting analyses such as spreadsheet models, diagrams of value chain, 5-forces, etc. Please do not include materials prepared by others outside your group (e.g., newspaper articles, internet downloads).

References should include books, academic articles, newspaper clippings, on-line sources, interviews in proper academic format of either MLA or APA. These references are not counted as part of your 30-page maximum. **This section is very important because it indicates how broadly you searched for information, how well you were able to synthesize the materials you found, and how much insight or depth of analysis you were able to develop.**

Margins: 1" margins (left, right, top, bottom)

Size paper: 8.5" x 11.0"

Size type: 12-point type

Line spacing: double-spaced for all text (not for tables, analyses, references, or block quotations)

Page numbers: pages numbered in the upper right corner (no page number on first page).

Submit an electronic version through "Turnitin" to your instructor.

3. **Alphabetical List of Organizations for Group Written Strategy Analysis – Under revision (NP = Non-profit)**

24 Hour Fitness	Haagen-Dazs	Rolling Hills Country Club -CA
Aloha Airlines	Hobie Cat	Rutan Aircraft
American President Lines	Holland American Lines	Sea Launch
Aqua Lung	Honda Motorcycles	See's Candy
Ariat	Jet Blue Airlines	Spalding
Babystyle	Jonathan Club	Suzuki Motorcycles
Baskin-Robins Ice Cream	Justin Boots	The Balboa Bay Club & Resort
Ben and Jerry's Ice Cream	Kawasaki Motorcycles	The Lodge at Torrey Pines
Bessell Surfboards	Krispy Kreme Donuts	The New Piper Aircraft Company
BMW Motorcycles	L.L. Bean	The Port of Long Beach (NP)
Body Glove	LA Equestrian Center	The Port of Los Angeles (NP)
Burke Williams Spa	LA Maritime Institute (NP)	Torrance Memorial Hospital
Carnival Cruise Lines	Lance Carson Surfboards	Trader Joe's
Cessna	Lindblat Expeditions	Trixie Surfboards
Circle Y	Mattel	Trump National Golf Course-CA
Coach, Inc.	Mobley Surfboards	U.S. Air Force (NP)
Cold Stone Creamery	Northwest Airlines	U.S. Army (NP)
Costco Wholesale	Oakley	U.S. Navy (& Marines) (NP)
Crates Leather Company	Orange County Choppers (NJ)	UCLA Hospital (NP)
Cunard Cruise Line	Prince Sports, Inc.	USC Hospital (NP)
Curves	Princess Cruise Lines	Vespa
Delta Airlines	R.E.I.	West Coast Choppers
Equinox Fitness	Riddell	Whole Foods
Gold's Gym	Riviera Country Club	Wilson Sporting Goods

You will notice that there is a broad range of organizations listed and that many are probably familiar to you. These organizations are examples of those suitable for investigation and analysis. You may select one of these or propose one of your own. The one caveat in selecting an organization is that no one in your group should have personally worked in the organization or have a close family member (i.e., mother, father, spouse, brother, sister, child) who has worked for the organization within the past five years.

Each team is encouraged to clear the name of the organization with the instructor as soon as possible in order to ascertain whether any other team has selected it.

Appendix B: Peer Evaluation

Please allocate 100 points across all the members of your team apart from yourself to reflect your assessment of their individual contributions to the team effort. I will treat your assessments as confidential.

Your name: _____

Team-member name:	Contribution:
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1. _____	_____
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2. _____	_____
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3. _____	_____
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Total:	100
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In the space below, provide some summary comments that can be fed back to each of your team members:

Greatest Strength

1. _____

2. _____

3. _____

Areas for Improvement:

1. _____

2. _____

3. _____

Appendix C: Participation Behaviors and Associated Scores

Excellent performance range: 100 to 90

- initiates information relative to topics discussed
- accurately exhibits knowledge of assignment content
- demonstrates excellent listening by remaining on "same page" as rest of class as demonstrated by comments
- brings up questions that need to be further explored
- clarifies points that others may not understand
- draws upon practical experience or personal opinion
- offers relevant/succinct input to class
- actively participates in simulations and classroom exercises
- demonstrates ability to apply, analyze, evaluate, and synthesize course material
- demonstrates willingness to take risk in attempting to answer unpopular questions

Good performance range: 85 to 89

- regularly participates in discussions
- shares relevant information
- gives feedback to classroom group discussions
- consistently demonstrates knowledge of reading assignments
- demonstrates ability to analyze/apply course material
- demonstrates willingness to attempt to answer questions

Fair/average performance range: 80-84

- participates in group discussion when solicited
- demonstrates knowledge of course material
- offers clear, concise, "good" information relative to class assignments
- offers input, but tends to reiterate the intuitive
- attends class regularly

Poor performance range: 75-79

- occasional input, often irrelevant, unrelated to topic
- reluctant to share info
- not following flow of ideas
- personal application only
- drains energy from class goals

Unacceptable performance range: <74

- fails to participate even when specifically asked
- gives no input
- does not demonstrate knowledge of readings
- shows up to class; does nothing
- group distraction
- irrelevant discussion
- not sticking to topic
- Behaves toward others in disruptive fashion, for example, sarcastic comments aimed at others

COURSE SCHEDULE

Monday – Wednesday Schedule for Fall, 2007

Dates	Days of the Week	Session	Assignment
INTRODUCTION			
8/27	Monday	1	Course Introduction and Overview: What is Strategy and Strategic Leadership (HIH 1, 12). CP: What Is Strategy?)
8/29	Wednesday	2	iPod & iTunes
9/3	Monday		Labor Day Holiday
INDUSTRY ANALYSIS			
9/5	Wednesday	3	Lecture/Discussion: External Analysis & the Business Landscape (HIH: 2)
9/10	Monday	4	Section 2: Video Case - Cappuccino Trail: the Global Economy in a Cup
9/12	Wednesday	5	Section 2 Case: Wal*Mart Stores (GC)
9/17	Monday	6	Section 2: Video Case – Video Games: Creating Virtual Fantasy Group Written Strategy Analysis Organization Selection Due
CREATING AND SUSTAINING A COMPETITIVE POSITION			
9/19	Wednesday	7	Lecture/Discussion: The Internal Environment (HIH: 3, 4)
9/24	Monday	8	Section 3 Case: Adolph Coors in the Brewing Industry (GC)
9/26	Wednesday	9	Section 3 Case: Intel Corporation: 1968-2003 (GC)
10/1	Monday	10	Lecture/Discussion: Anticipating Competition and Cooperative Dynamics (HIH: 5, 9)
10/3	Wednesday	11	Section 4 Case: Wintel (A) (GC)
10/8	Monday	12	Section 4 Case: Leadership Online (A): Barnes and Noble versus Amazon.com (GC) Group Written Strategy Analysis Part 1a Due (See Appendix A) submit through “Turnitin”
CORPORATE STRATEGY			
10/10	Wednesday	13	Lecture/Discussion: Rivalry Issues (HIH: 6,7) and CP: The Right Game

10/15	Monday	14	Section 5 Case: Corning, Inc.: A Network of Alliances (GC)
	Wednesda		
10/17	y	15	Section 5 Case: Disney's The Lion King (A): The \$2 Billion Movie (GC)
10/22	Monday	16	Section 5: Video Case - General Motors: Driving the World from Detroit?
	Wednesda		
10/24	y	17	Section 5 Case: Electronic Arts in Online Gaming (GC)
10/29	Monday	18	Section 5 Case: Airborne Express (A) (GC)
	Wednesda		
10/31	y	19	Lecture/Discussion: Internationalization (HIH: 8)
11/5	Monday	20	Section 6 Case: Booz-Allen & Hamilton Vision 2000 (GC)
	Wednesda		
11/7	y	21	Section 6 Case: Jollibee Foods Corp. (A): International Expansion (GC)
11/12	Monday	22	Outline of Company Analysis and Issue Review Session

GETTING INSIDE THE FIRM: MANAGING SUBSIDIARIES AND PEOPLE

	Wednesda		
11/14	y	23	Section 7: Video Case - The E-Bay Effect
11/19	Monday	24	Section 7 Case: Cirque du Soleil
	Wednesda		
11/21	y	25	Section 8 Case: Kodak and the Digital Revolution (A) (GC)
11/26	Monday	26	Lecture/Discussion on Leadership, Decisions (HIH: 11, 13)

FINAL EXAM REVIEW SESSION

	Wednesda		PARTS 1b AND 1c OF GROUP WRITTEN STRATEGY ANALYSIS DUE (See Appendix A) Submit through "Turnitin"
11/28	y	27	
12/3	Monday	28	6 Short Company Analysis Presentations
	Wednesda		
12/5	y	29	6 Short Company Analysis Presentations
12/17	Monday	Final	8-10am Section 15097R It is your responsibility to verify this date and time.

CP = reading in the Course Package; HIH = reading in text; V = video case

Group Case Presentation and Challenge Cases (GC)

Section	Case	Group												Total
		1	2	3	4	5	6	7	8	9	10	11	12	
2	Wal*Mart Stores	P			C					C				3
3	Adolph Coors in the Brewing Industry		P					C			C			3
3	Intel Corporation: 1968-2003			P		C	C							3
4	Wintel				P			C		C				3

4	Leadership Online (A): Barnes and Noble versus Amazon.com	C	C	P									3
5	Corning, Inc.: A Network of Alliances				P			C	C				3
5	Disney's The Lion King (A): The \$2 Billion Movie	C				P						C	3
5	Electronic Arts in Online Gaming		C	C			P						3
5	Airborne Express (A)							P		C	C		3
5	Booz-Allen & Hamilton Vision 2000				C	C			P				3
5	Jollibee Foods Corp. (A): International Expansion		C					C		P			3
8	Kodak and the Digital Revolution (A)			C				C				P	3
Total =		3	3	3	3	3	3	3	3	3	3	3	
Where: P = Present, C = Challenge													