

BUAD497 – Strategic Management

Fall 2013 15096 – Tue/Thu 10:00-11:50 am ACC 201
15099 – Tue/Thu 12:00-1:50 pm HOH 305
15112 – Tue/Thu 4:00-5:50 pm ACC 201

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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, 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. 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 affect 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 vary slightly for each instructor. Be sure to refer **ONLY** to this syllabus.

Learning Objectives

The course is composed of four interrelated modules that build on each other. The learning objectives associated with each module are intended to enable you to: (1) develop factual and conceptual knowledge about the field of strategic management, (2) perform specific forms of analysis to solve problems unique in strategic management, and (3) think critically in evaluating the empirical evidence for strategic decision making. All of the graded elements of this course are based on assessing your ability to demonstrate your capability in these three areas.

Module I (Industry & Competitor Analysis-ICA)

1. Be able to identify industry conditions most appropriate for using the ICA framework to analyze the sources of industry-wide competitive advantage, including i) bargaining power among rivals and buyers, suppliers, ii) substitutes and iii) barriers to entry.
2. Be able to analyze appropriate industry situations as a new entrant or incumbent where ICA is more or less appropriate.
3. Be able to use the ICA analysis to predict the likely future direction of the industry's development.
4. Be able to identify main players of the industry along the industry value chain and explain how they create and expropriate value.

Module II (Firm Internal Analysis)

1. Be able to identify activity system of a firm along the internal value chain and how the set of activities relates to the profit and loss of the firm.
2. Be able to identify resources and capabilities of a firm, which forms the basis of sustainable competitive advantage.
3. Be able to identify and recommend strategic choice between cost leadership and differentiation strategies at the business unit level. Be able to recommend alternative courses of action for creating dynamic capabilities.

Module III (Competitive Dynamics)

1. Be able to identify the dynamics in competitive rivalry including competitive action and response and translate the rivalry into quantitative measures.
2. Be able to identify the unique value proposition of a company and its competition along the competitive rivalry.
3. Be able to analyze underlying dynamics co-opetition strategies and make appropriate recommendations for acting both proactively and defensively.
4. Be able to identify the disruptive technological innovation in a given industry and its consequences for industry & firm performance

Module IV (Corporate Strategy – (1) Resource Allocation, (2) Global (3) Transaction Costs Economics-TCE)

1. Be able to identify how firms allocate resources among related and unrelated businesses and how these processes can enhance or destroy synergy.
2. Be able to explain how firms change their boundaries with different modes of corporate strategies such as diversification, mergers and acquisitions, and strategic alliances.
3. Be able to use the TCE approach to recommend strategies for vertical and horizontal changes in the boundary of the firm.
4. Be able to explain how firms expand their boundaries globally under different strategic motivations and how different organizational forms support the globalization strategies.

Required Materials

- **Case Package:** The assigned cases and outside readings for this course are available as a course packet from the University Book Store. The case package is required for the course.
- **Blackboard (Bb):** <http://totale.usc.edu/webapps/portal/frameset.jsp> or <http://mymarshall.usc.edu>.
I use Bb as my primary method of communicating with my students. In addition to direct communications, students will find additional materials posted to Bb including syllabus updates, an overview of each session including your required preparation, and copies of required and supplemental reading. You should check Bb daily for any new information posted relevant to upcoming sessions.
- **Textbook:** The textbooks below will provide additional reference to the class concepts and frameworks.
 - Grant, Robert M. and Judith Jordan. 2012. Foundations of Strategy. NY: John Wiley & Sons, Ltd.
 - Barney, Jay and William S. Hesterly. 2012. Strategic Management and Competitive Advantage: Concepts (4th Edition). Pearson

Prerequisites for the Course:

- **Prerequisite:** 1 from ([BUAD 250b](#) or [BUAD 281](#) or [BUAD 305](#)) and ([BUAD 304](#) and [BUAD 307](#)) and 1 from ([BUAD 215](#) or [BUAD 306](#)) and 1 from ([BUAD 302](#) or [BUAD 302t](#))
- **Corequisite:** 1 from ([BUAD 311](#) or [BUAD 311t](#))

Course Format and the Case Discussion Method

In order to achieve the objectives of the course, we will devote substantial time to the analysis and discussion of selected cases. Lectures will be given to elaborate key theoretical models and frameworks or to reinforce crucial concepts. 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 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 kit 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. Case discussion techniques provide a chance to learn the meaning of analytical rigor in situations that are more ambiguous than black-and-white 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, as your instructor, will not reveal my own opinions about a particular issue, and there will be cases which will 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.

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 & Discussion. Case discussions require extensive preparation before class, as well as active participation in class. The following is a recommended approach to preparation of cases:

1. 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.
2. Carefully review **the case discussion questions provided in Blackboard for the session** for clues as to what issues require special attention.
3. 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.
4. 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").
5. Perform quantitative analyses, "crunching" whatever numbers are available. It is 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.
6. **Prepare detailed notes that you will bring with you to class** to help guide your interventions in class discussions. **I will collect these case notes as evidence of your class preparation randomly throughout the semester** (see below for details).

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

Grading Policies:

Your course grade is based on both an individual and a group portion of evaluation. Please note that **you must successfully pass (at least 50% of the available points) both the individual and the group effort portions of the course.** Final grades represent how you perform in the class relative to other students. The distribution of grades will follow the guidelines of the Marshall School of Business. Historically, the average grade for this class is about a (B). The individual grading components are listed below.

Evaluation Components		<u>% of Grade</u>
Individual (80%)	Case Preparation & Classroom Participation	20%
	Research Contribution	5%
	Quizzes	20%
	Final Exam	25%
	Term Project – Individual Firm Analysis Write-up	10%
Group (20%)	Term Project – Group Industry Analysis Presentations	10%
	Term Project – Group Industry Analysis Write-up	10%
TOTAL		100%

- **Case Preparation & Classroom Participation**

Part of course participation will be based on effective contributions to class discussions. These include input that is relevant to the course content and the topic of discussion. Your overall commitment and attitude toward this course, and your daily active verbal participation in case discussions will be closely monitored. The **case notes** that you prepare in advance will be hugely valuable to you during these discussions. Class participation is obviously a function of preparation, skills, attitude, and a willingness to actively commit yourself in front of your instructor and colleagues.

Students will be called on at random to take the lead in various aspects of the case discussion: to identify critical problems, provide analysis of relevant data (including financial data), generate alternative recommended courses of action, and generate ideas about implementation. The quality of the contributions made during these periods affect a student's overall participation grade. If the student called upon is not present, is late, or is not sufficiently prepared to make a contribution to the class discussion, he/she will lose points for class contribution. Factual misstatements, comments that demonstrate a lack of adequate preparation, or comments that come late in a discussion that distract the class and indicate that the student has not been actively listening will be noted as “negative” course participation.

In grading class participation, I will look at both the quantity and quality of your class contributions. With regard to quality, the dimensions that I look for 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 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.

Case Notes. Understanding the material and having something to contribute in discussions generally requires taking notes on your thoughts about the cases as you read them. To encourage you to do so, **I will collect these notes randomly 3-5 times during the semester at the beginning of class.** The notes should include answers to case questions and other thoughts you have. You should use a separate paper to take notes and bring it with you to the class. Because the notes are more for your understanding than mine, bullet points will be fine. I will look for evidence of effort and critical thinking, and assign a grade of *missing*, *check minus*, *check*, or *check plus*, as appropriate.

- **Research Contribution**

There is a research requirement component of this course according to the guideline of the Marshall School of Business. You can choose one of two options to fulfill this requirement. Please note that, if you do not complete one of these two options, you will lose points for this part of your grade.

Option 1:

First, you can participate in research studies. To do this, you will attend sessions outside of class, conducted by researchers in MOR at Marshall. You will earn ½ credit or 1 credit for each separate study you complete; most sessions are no more than an hour long. You will need to obtain 4 credits during the semester in order to fulfill the research requirement. If you choose this option, please register for an account at <http://marshall-mor.sona-systems.com/> (see instructions posted separately to Blackboard) no later than **Friday, September 13, 2013**. Those who do not register or reactivate by this date will be required to complete Option 2. After you verify your account, you will need to check the site regularly to find open studies and sign yourself up for appointments. Studies are scheduled throughout the semester, on various days and times. It's important that you complete your credit early; if you wait until the end of the semester, there may not be enough studies available. You are not guaranteed an available study spot. Please note: If you earn your first 3 credits by showing up to ALL of your scheduled sessions, on time, then you will earn your 4th credit "free," as a bonus. That is, the system is "earn three, get one free"--again, provided that you show up to all three early sessions as scheduled and on time. To receive full participation points, you must earn your first credit by **Friday, October 25, 2013**. Your other credits can be earned any time before **Friday, December 6, 2013**. As a courtesy to the researcher and other students waiting for spots, please use the online system to cancel your appointment ASAP if you can't make it.

Option 2:

Your second way to complete the research requirement is to write 3 short, 3-page research papers on topics prearranged with your discussion instructor or 497 professor. Students must be aged 18 or older by Friday, October 25, 2013 in order to choose Option 1; otherwise, you will need to use Option 2. Papers must be turned in no later than Friday, **December 6, 2013** to your Professor or discussion instructor.

IMPORTANT NOTES: (A) If you have already have a research study account from a past BUAD 304 or BUAD 497 course, you will need to email the administrator from the website in order to request **account reactivation**. Past credits earned CANNOT be used

for current courses. (B) If you are enrolled for Marketing BUAD 307, please make sure you visit the Marketing research study website your Marketing Professor has given you. Please see your Marketing syllabus. Each course has its own unique Sona Systems web address. **Credits will NOT transfer from one class to the other for credit fulfillment, no exceptions.**

- **Individual Quizzes**

There will be short quizzes at the end of each learning module (4 in total, refer to the course calendar at the end of this syllabus) during the course, which may cover a case, assigned articles, and concepts covered in the previous class. No make-up opportunities are available if you are absent or late. Your best 3 quizzes will be graded.

- **Final Exam**

A final exam is scheduled for this course. It will be given with the following schedule (as specified by the university). The exam rooms will be announced later.

Section 15096: 12-Dec, 11 a.m.-1 p.m.

Section 15099: 17-Dec, 11 a.m.-1 p.m.

Section 15112: 11-Dec, 4:30-6:30 p.m.

The exam will consist of multiple choice, true/false questions, and class concepts and frameworks. The exam also may include one or two brief case analysis. The final exam will be cumulative, based on all material covered in the course throughout the semester.

- **Term Project**

There is a term project of an industry (group level) and a firm (individual level) analysis where 5-6 students collaborate throughout the semester for the class. Different groups may not collaborate on the project. This project serves at least three educational objectives: (1) it provides an opportunity to practice your framework for industry/firm analysis learned in the course, (2) it helps you to learn how to gather information on industries and firms of your interest independently, and (3) it offers a chance to learn how to work in teams, tapping on each team member's detailed knowledge of different functional areas.

The project consists of (1) industry level analysis (graded jointly for the group – presentation (10%), write-up (10%)) and (2) firm level analysis (graded for each student – write-up (10%)). Appendix 1 provides a detailed guideline of the project. Major milestones of the project are;

- Provide the names of your term project groups (by Sep. 5th)
- Choose an industry and hand in 200 words project outline (by Sep. 19th)
- Present your group's industry analysis to the class (Oct. 10th)
- Hand in your group's industry analysis report (10pg. by Oct 15th)
- Present your group/individual's firm analysis to the class (Nov 19th, Nov 21st)
- Hand in your individual firm analysis report (6pg. by Dec 9th)

The group component of the term project also includes **peer evaluation of your group members (Appendix B)**. Peer evaluation is voluntary. If you chose to do the peer evaluation, you should submit the form no later than the last day of class, December 5th in hard copy form (Electronic copies will not be accepted.) Your care in completing it forms part of your participation/commitment grade.

Course Policies

- **“Best Effort and Respect”**
Best effort and respect are the two fundamental principles of my teaching philosophy. I expect my students to put forth their best effort to their learning goals. This is exemplified by attending the class sessions regularly, arriving to class in a timely manner, and turning in all the assignments required. Individual best effort achieves its maximum potential when we respect each other in and outside the classroom. Respect for other students is shown by listening when others talk, acknowledging differences in opinion and participating in group projects responsibly.
- **Add/Drop Process**
If you are absent six or more times prior to *November 16, 2012* (the last day to withdraw from a course with a grade of “W”), I may ask you to withdraw from the class by that date. These policies maintain professionalism and ensure a system that is fair to all students.
- **Attendance**
Class attendance is absolutely essential! All missed classes, tardiness, and early departures result in a loss in class contribution and participation points, and will be noted as evidence of low course commitment. The policy on missed classes is to allow each student two (2) absences, no questions asked, no penalty, with the exception of missing a quiz and case note collection. ALL further absences over the limit will reduce the student's participation grade. Students with an excessive number of absences are at risk of failing the course.
- **Missed Quizzes, Case Notes, and Written Assignments**
No make-up examinations and make-up quizzes will be given. Students must take the final exam to receive a passing grade for the course. Late reports will be penalized 10 percent for missing the deadline, and 10 percent per day late. Group presentations must be given on the date assigned in order for credit to be received.
- **Assignments Formatting**
All assignments must be typed on plain white 8 ½ x 11” paper in **12-point font double space** with one-inch margins around the page. All assignments must include a cover page with assignment title, course title and number, section number, and **each team member's name with e-mail address**. Papers should be fastened with a staple in the upper left corner—no folders please. Creative formatting may result in penalty.
- **Technology Policy**
Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated by me. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, PDAs, I-Phones, Blackberries, other texting devices, laptops, i-Pads, i-Pods) must be completely turned off during class time. Videotaping faculty lectures is not permitted due to copyright infringement regulations.
- **Office Hours (Tue, 2:30-3:30 pm)**
Please feel free to stop by my office if you have questions for the class, the term project, and any professional advice. In particular, the term project may require extra

guidance at its earlier stage. I expect to meet with every one of my class at least once during the semester.

- **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. For more information visit www.usc.edu/disability.

- **Statement on Academic Integrity**

USC seeks to maintain an optimal learning environment. General principles of academic honesty include 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 another's work as one's own. All students are expected to understand and abide by these principles. *SCampus*, the Student Guidebook, (www.usc.edu/scampus or <http://scampus.usc.edu>) contains the University Student Conduct Code (see University Governance, Section 11.00).

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/>. Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

- **Emergency Preparedness/Course Continuity**

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies. Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

BUAD 497 F2013 Course Calender

Professor Sun Hyun Park (sunpark@usc.edu)

#	Date	Day	Topic	Required Readings - Cases and Articles	Deliverables	
1	8/27	Tue	Introduction			
2	8/29	Thu	<i>Industry & Competitor Analysis - Lecture</i>	<i>Mini case // Michael Porter, "The Five Competitive Forces that Shape Strategy"</i>		
3	9/3	Tue	- Industry Value Chain and Performance	Cola Wars Continue: Coke and Pepsi in 2010 (HBS 711462)		
4	9/5	Thu	- Entry Barriers and Competitor Analysis	The Ready-to-Eat Breakfast Cereal Industry (HBS 795191)	Form Groups	
5	9/10	Tue	- Industry Dynamics and Evolution	Apple Inc. in 2012 (HBS 712490)		
6	9/12	Thu	- Value Creation and Expropriation	The Evolution of Circus Industry (A) / Cirque du Soleil Creates Live Entertainment (B)		
7	9/17	Tue	<i>Firm Internal Analysis - Lecture</i>	<i>Barney "Looking inside for competitive advantage" / Magretta, "The Value Chain and Your P&L"</i>	<i>Quiz1</i>	
8	9/19	Thu	- Business Activity System	Airborne Express (HBS 798070)	Industry Proposal	
9	9/24	Tue	- Resources and Capabilities	McKinsey & Company: Managing Knowledge and Learning (HBS 396357)		
10	9/26	Thu	- Bus Strategy (Cost Leadership)	Wal-Mart Stores Inc. (HBS 794024)		
11	10/1	Tue	- Bus Strategy (Differentiation)	Gucci Group N.V.(HBS 701037)		
	10/3	Thu	Project Work Day - Case group individual meeting with the instructor			
12	10/8	Tue	<i>Competitive Dynamics I - Rivalry</i>	Dogfight over Europe: Ryanair (A) (HBS 700115)	<i>Quiz2</i>	
13	10/10	Thu	<i>Group Presentation I: Industry Analysis</i>			Industry Slides
14	10/15	Tue	Competitive Dynamics II- Positioning	IKEA Invades America (HBS 504094)	Industry Report	
15	10/17	Thu	Competitive Dynamics III- Coopetition	Wintel (HBS 704419)		
16	10/22	Tue	Corporate Strategy - Lecture	<i>Piskorski, "Note on Corporate Strategy" // Prahalad & Hamel, "The Core Competence of the Corporation"</i>		
17	10/24	Thu	- Core Competence and Firm Boundaries	Walt Disney Co.: The Entertainment King (HBS 701035)		
18	10/29	Tue	- Related diversification	Newell Company: Corporate Strategy (HBS 799139)		
19	10/31	Thu	- Unrelated diversification / Corp. Governance	Tyco International (HBS 798061)	<i>Quiz3</i>	
20	11/5	Tue	- Mergers and Acquisitions	Hewlett-Packard-Compaq: The Merger Decision (HBS 104048)		
21	11/7	Thu	- Strategic Alliances	The Renault-Nissan Alliance (HBS 303023)		
22	11/12	Tue	- Globalization	P&G Japan: The SK-II Globalization Project (HBS 303003) / Bartlett and Goshal, "Transnational Solution"		
23	11/14	Thu	Closing Case - Google	Google (HBS 910036)	<i>Quiz4</i>	
24	11/19	Tue	<i>Group Presentation II-1 : Firm Analysis</i>			Firm Slides
25	11/21	Thu	<i>Group Presentation II-2 : Firm Analysis</i>			
26	11/26	Tue	Competitive Dynamics IV- Innovation	Kodak and the Digital Revolution (A) (HBS705448) / Bower & Christansen "Disruptive Technologies"		
	11/28	Thu	Thanksgiving - No Class			
27	12/3	Tue	Competitive Dynamics V- Business Simulation	Back Bay Battery Business Simulation -Debriefing	Simulation Notes	
28	12/5	Thu	Review for Final			
			Final Exam	15096: 12/12, 11am-1pm / 15099: 12/17, 11am-1pm / 15112: 12/11, 4:30-6:30pm	Firm Report (12/9)	

* There will be 3-5 random case notes collection throughout the semester.

APPENDIX A: TERM PROJECT GUIDELINE

1. Industry Level Analysis

Each group must analyze their industry in order to identify the industry-wide competitive advantage. There will be no overlap in term project industry within each class section (if there is, “first-come, first-served” rule will be applied). Below is a list of suggested industries (however, you can choose any other industry outside this list). The project group should decide on the project industry and submit a **200 words project outline by September 19th in class.**

Active Sports Apparel	Discount and Variety	Investment Banking
Aircraft manufacturers	Retail	Luxury Department Stores
Airline	Express Delivery	Luxury Hotels
Beauty Care	Fast Food	Mobile Phone Handset
Beer	Fine Jewelry	Motor Cycles
Branded Pharmaceutical	Footwear	NBA
Cable Providers (e.g.	Grocery Stores	Network TV
Comcast)	Homebuilding	Newspaper Publishing
Candy and Confections	Home Furniture	Non-Luxury Automobile
Casino	Ice Cream Specialty	Packaged Food
Casual Dining	Eateries	Pharmacy Retail
Cruise Line	Internet Digital Media	Record Label
	Retailers	Recreational Vehicles

- **Industry Level Analysis Presentation & Written Analysis (graded jointly for the group)**

Each group will do a class presentation of the industry analysis and also submit a written analysis report. The main evaluation criteria for the analysis are as follows:

1. How well is the industry defined in terms of i) the industry value chain, ii) main players along the industry value chain and iii) the cost and revenue of the main players to each other? (30%)
2. How well are the five-forces identified? For whom is the industry potentially profitable now and how should the five-forces be modified to insure future profitability of the focal firm? (30%)
3. How well are the macro environment analyzed? (10%)
4. How well are the industry trends and consequences for future industry economics and attractiveness identified? (10%)
5. Does the analysis provide a clear statement, as a conclusion from the prior analysis, whether the industry is currently “attractive” or “unattractive” from the standpoint of the focal firm? (20%)

In the group presentation, the following evaluation criteria will be applied additionally.

1. Clarity of argument
2. Use of frameworks and concepts learned from this course
3. Integration of analysis

The presentation duration, order, and schedule will be announced in class. As a guideline, each group will have approximately 15 minutes in total for the presentation and Q&A. All the group members are encouraged to participate in the presentation. Exceeding your allotted presentation time will be evaluated as negative points in presentation grading.

The written report is **due by the next class after the presentation, maximum 10 pages** including tables and figures. I expect the report to incorporate any feedback from the Q&A session of the presentation.

2. Firm Level Analysis

Each group member must analyze a **single firm** operating in the industry chosen in the Industry Level Analysis. The group presentation will illustrate how different firms in the industry compete with each other from more holistic, industry perspective. The individual report will showcase each student's analysis of the chosen firm's resources & capabilities and strategic choice.

- **Firm Level Analysis Presentation** (graded jointly for the group)

Each group will do a class presentation of the firm level analysis. The presentation should start with a very brief reminder of the value chain and economics of your industry, followed by a list of the firms you chose to study and a ranking of their relative performance based on the metrics you believe the most relevant. Each group should decide on relevant performance metrics (including, but not limited to financial performance metrics) and come to a conclusion whether the study firm is a high or low performer compared to other firms in the industry. In the presentation, I would prefer each group discussing the main strategic choices observed across the industry, rather than discussing individual firms. In addition to the general guideline of oral presentations listed above, the firm-level presentation is evaluated along the following dimensions,

1. How well are the study firms evaluated along the performance metrics? Are the performance metrics well defined and justified? (25%)
2. How well are the main strategies of the study firms identified as strategic groups? How well are the main activity systems, resources and capabilities underlying the strategy identified? (25%)
3. How well does the analysis explain the chosen firms' confluence of strategic choices and resources/capabilities leading to competitive advantage and superior performance? (25%)
4. How well does the analysis identify any better/worse strategy in the industry (why is one strategy more effective than others)? (25%)

- **Firm Level Analysis Report** (graded individually)

The written report is **due by 4 p.m. December 9th as a hard copy, maximum 6 pages** including tables and figures. You can submit the report into a box outside my office. I expect the report to incorporate any feedback from the Q&A session of the firm level analysis presentation. The written report should include the following analyses.

1. A brief analysis of firm performance along the performance metrics decided from the project group and declare whether the firm is a high or low performer in the industry. (20%)
2. Identification of the main strategic factors that, in your view, underlie this performance outcome. Your analysis should consider the following:
 - 1) What is your firm's strategy (i.e. their strategic choices)? (10%)
 - 2) What assets (resources/capabilities) do they possess? Are they valuable, rare, and inimitable? (10%)
 - 3) How are the internal activities organized and related to firm performance? Is the firm's strategy congruent with their assets (resources/capabilities or activity systems)? (20%)
 - 4) Is there a corporate strategy (e.g. diversification, alliance or merger/acquisition) component that is important in explaining their performance? (10%)
3. Recommendations for future competitive advantage for the firm (30%). High quality recommendations are insightful (e.g., based on insights about the nature of competition and determinants of success within the industry or predictions about where the industry is headed), consistent with prior analysis contained in the report as well as fundamental concepts and principles of strategy, and likely to be feasible given the competitive, financial and organizational context where the firm is operating.

APPENDIX B: PEER EVALUATION

Please allocate 100 points (total) across all the members of your team except 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 (exclude yourself): Contribution:

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

Total: 100

In the space below, provide some summary comments for your team members:

Greatest Strength

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

Areas for Improvement:

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____