



Course BPS 6310 Strategic Management (EMBA)
Professor Mike Peng
Provost's Distinguished Professor of Global Strategy
Term Fall 2010
Meetings Per EMBA office instructions

Professor's Contact Information

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General Course Information

Pre-requisites, Co-requisites, & other restrictions Current enrollment in the EMBA program

Course Description

This course focuses on the strategic challenges confronting firms that compete in the global economy. A firm's strategy is its "theory" of how to gain competitive advantage and compete successfully in the marketplace. Strategic management is the process that managers, especially executives, develop and implement a firm's strategy. Our objective is to have an enhanced understanding of the most fundamental question in strategic management: ***What determines the success and failure of companies around the world?***

Positioned in the heart of the EMBA curriculum (both content- and timing-wise), this course directly contributes to the core mission of our EMBA program—fostering an ***executive mindset***. It helps you develop the following perspectives:

- A ***strategic*** perspective: We will help you develop a firm-level policy formulation and implementation orientation, as opposed to a functional, project-level focus found in other tactical courses. Our first key word, naturally, is ***strategic***.
- An ***analytical*** perspective: Develop an ability to draw on three leading perspectives in strategy—namely, industry-based, resource-based, and institution-based views—to perform deep analysis underpinning strategic decisions.
- A ***business-as-a-system*** perspective: Develop a deep understanding of the interconnectedness of internal organizational components and external environment elements on a worldwide basis. Globalization, business ethics, corporate governance, and social responsibility are crucial components of this perspective.
- A ***worldly*** perspective: Our second key word is ***global***. A hallmark of this course is that it is not US-centric. In addition to studying US-based firms, in case studies, we will be investigating organizations headquartered in Britain, China, France, Germany, India, Japan, and South Africa doing business in a variety of host countries around the globe. We will be studying a global market-leading textbooks studied by your competitors in over 30 countries, who want to eat your lunch.

Learning Outcomes

- A *managing-for-change* perspective: The only constant in the global economy seems to be change. As EMBA students, you will need to embrace and take advantage of change. Such change is often fostered by debates. We will be engaging in a series of cutting-edge debates. Debates are both exciting yet uncertain. It is imperative that you be knowledgeable about different sides of these debates, form your own views, and be prepared to embrace change unleashed by these debates.

Of course, we will also help you develop a collaborative-leader perspective as outlined in the EMBA mission statement. But most courses do that, so that will not be a point of our differentiation here.

- Texts**
1. M. W. Peng (2009). *Global Strategy*, 2nd ed. South-Western Cengage Learning.
 2. Packet

Course Policies

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|--|---|---------------|-----|--|--|---|-----|---|-----|--------------|-------------|
| Grading (credit) Criteria | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Participation</td> <td style="text-align: right;">40%</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Two (2) one-page <i>individual</i> papers (20%) Two on debates/ethics OR one on a case (not assigned to your group) + one on a debate/ethics issue • Contributions to class discussions (20%) </td> <td></td> </tr> <tr> <td>Team presentation on a debate based on a case</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Term project: One (1) ten-page <i>group</i> case write-up</td> <td style="text-align: right;">40%</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">100%</td> </tr> </table> | Participation | 40% | <ul style="list-style-type: none"> • Two (2) one-page <i>individual</i> papers (20%) Two on debates/ethics OR one on a case (not assigned to your group) + one on a debate/ethics issue • Contributions to class discussions (20%) | | Team presentation on a debate based on a case | 20% | Term project: One (1) ten-page <i>group</i> case write-up | 40% | Total | 100% |
| Participation | 40% | | | | | | | | | | |
| <ul style="list-style-type: none"> • Two (2) one-page <i>individual</i> papers (20%) Two on debates/ethics OR one on a case (not assigned to your group) + one on a debate/ethics issue • Contributions to class discussions (20%) | | | | | | | | | | | |
| Team presentation on a debate based on a case | 20% | | | | | | | | | | |
| Term project: One (1) ten-page <i>group</i> case write-up | 40% | | | | | | | | | | |
| Total | 100% | | | | | | | | | | |
| Two Individual 1-Page Papers (both on debates/ethics OR one on a case + one on a debate/ethics issue) | <p>Stylistic requirements are:</p> <ul style="list-style-type: none"> • Typed, and cannot exceed one page, with one inch margin on four sides of the paper. If you have performed extensive outside research (such as most recent Internet posting), you may attach one page as an appendix, which can only be a direct printout or a spreadsheet but cannot be your write-up; • You may present your paper in paragraph form, in which case <i>single space</i> is allowed, or in outline form as bullet points; • The font size cannot be smaller than 10 (I am using “times new roman” 10 point now); • Submit a <i>hardcopy</i> at the <i>beginning</i> of the class, in addition to Blackboard submission; • While you may form study groups to discuss these questions, the position paper should be written strictly on an <i>individual</i> basis <p>One-Page Paper(s) on Ethics and/or Debates: Most textbooks present knowledge “as is” and ignore the fact that the field has numerous inconclusive but important debates. <i>Every</i> chapter of the <i>Global Strategy</i> text—now a global market leader—has a section on “Debates and Extensions,” some of which have significant ethical dimensions (see also the critical discussion questions on ethics in <i>every</i> chapter). Pick any one debate/ethical dilemma to write one or two one-page papers (<i>single-spaced, no cover page please</i>).</p> <p>You need to both summarize the debate/ethical dilemma (less than ½ page), and answer the question: <i>How does the assigned chapter/reading help you understand and participate in the debate?</i> For example, between two contrasting positions A and B, you had always intuitively supported A (before taking the class). Now you find assigned readings to intellectually support your original support for A. Or, despite your initial belief in A, through this course, you now support B. Tell us why.</p> | | | | | | | | | | |

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| | <p>This assignment is to be done on an <i>individual</i> basis. A hardcopy is required at the beginning of the class when this debate is discussed, in addition to Blackboard submission.</p> <p>As an expert on certain debates, <i>please be prepared to participate in these debates in class</i>. Of course, I expect everybody to have read these debates and be able to participate. But I may call on the experts, those who write the papers on these debates, to add more to our discussion.</p> <p>One-Page Paper(s) on a Case: Given the space constraints, you will be better served if you focus on one or two discussion questions in this paper. Please don't attempt to answer all discussion questions in this 1-page paper.</p> <p>Please select a case <i>not</i> assigned to your group for presentation.</p> |
| <p style="text-align: center;">Team Presentation on a Debate based on a Case</p> | <p>As a group, you will present a debate based on a case. It will normally be presented after the lecture is over but before the class discussion begins. You will have 15 minutes and 6 slides. Slide 1 is the mandatory title slide, with all names and emails. So you really only have 5 slides. Use Slides 2 and 3 to summarize the case, and use Slides 4 and 5 to illustrate how the case illustrates a debate. It is not mandatory that all members of the group present the case.</p> <p>Please note that the key is <i>not</i> to be comprehensive. The case discussion, after your presentation involving the entire class, will be comprehensive.</p> <p>Do not attempt to summarize the entire case in Slides 2 and 3. Only summarize the relevant information. <i>Please make your slides readable</i>—you will lose points if classmates sitting in the back row cannot read the slides you present. Although case discussion questions are helpful, do not attempt to answer them all. The key here is to <i>focus</i> on one debate (as suggested).</p> <p>You choose the most effective format to present the debate. One possibility is to have team member 1 present side A, team member 2 present side B, and then team member 3 play the role of moderator/reconciler. Alternatively, the entire team can represent side A, and engage the rest of the class as side B.</p> <p>Please prepare one <i>hardcopy</i> handout (6 slides printed on 1 sheet) for the professor. Please do not email ahead of time—nobody has that kind of time to open, print, and bring your handout to class; <i>it is your job to bring it to me in class</i>.</p> |
| <p style="text-align: center;">Term Project: Ten-Page Case Write-Up</p> | <p>This is a group-based exercise (1) to write your own case study (6-8 pages) and (2) to write your own case analysis (2-4 pages)—for <i>a combined total of 10 pages</i> excluding the title page and any attachments, such as figures, tables, appendix, and references.</p> <p>Your guiding question is: "<i>How to solve a strategic problem in global strategy?</i>" The first part will be a case study focusing on a hard-to-tackle strategic problem. Examples include: (1) How to profit from the global recession? (2) How to divorce from our JV partner while minimizing the damage to our interests and reputation? (3) How to govern a newly acquired foreign company? (4) How to deal with some ethical dilemmas? Make sure you use <i>question marks</i> (?).</p> <p>Try to follow the format of the cases that we study during the term, give enough details on the background of the firm, and focus on a difficult decision. This part should take approximately 6-8 pages. The second part will be your analysis and recommendations to these managers in terms of how to proceed, which should take about 2-4 pages (similar to your case analysis mentioned earlier)—at least 1 page should be devoted to <i>recommendations</i>. All together, the ideal length is 10 pages,</p> |

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| | <p>excluding attachments such as figures and tables. In terms of the attachments, please be reasonable. <i>Under no circumstances can the total report (all inclusive) exceed 20 pages—I will stop reading after p. 20.</i></p> <p>The <i>best</i> papers will show evidence of some investigative efforts—digging for more information, interviews/phone calls/emails with managers—and of synthesis and careful editing. They will also be insightful, going beyond the most obvious lessons to draw out the story behind the story.</p> <p>The quality will be evaluated along content and process dimensions (60% and 40%, respectively). Careful editing is expected. Simply “cut and paste” sections written by different coauthors will result in a very poor grade. <i>Appendix 1 gives a complete list of the grading criteria—pay attention!</i></p> <p>Outside research is expected. Please properly document your sources either in footnotes/endnotes or in APA format (that is, author name, year format, such as [Peng, 2009]) with a reference list attached at the end of your work—Please see the section on “Scholarly Professionalism and Citizenship” for more information.</p> <ul style="list-style-type: none"> • One inch margins should be left on four sides of the paper, and the font size cannot be smaller than 10 (I am using “times new roman” 10 point now); • On the title page, everybody’s email is required; • Also on the title page, include a 1-paragraph, double-spaced <i>executive summary</i> (less than 100 words); • <i>Double space</i> your main text (references and tables can use single space) • There is no length limitation about attachments (e.g., graphs, tables, and references). But be professional and reasonable. <p>Each group will give a presentation to the rest of the class on the last day of class—<i>under 15 minutes with no more than 12 slides</i> (slide 1 will be a required title page with names and emails). In addition to the presentation, the following items are required for submission on the presentation day:</p> <ul style="list-style-type: none"> • One page handout (6 slides per sheet, printed on <i>both</i> sides of the paper, with one physical sheet) to the professor • One hardcopy of the paper to give to the professor • Softcopies of Word and PowerPoint files submitted to Blackboard <p>Normally, everybody in the group gets the same grade. However, if there is any significant free rider, please file a complaint against this individual—the form is posted on Blackboard. Your complaint will be stronger if there are other members in your group who also file their complaints. I will investigate and talk to that individual. Therefore, anonymous complaint cannot be entertained. You will have to report your name, and your name will be revealed to the person who you complain about. Please note this complaint mechanism is totally <i>optional</i>, and I hope none will need to use it.</p> |
| Class Participation | <p>Since the course is built almost exclusively around the case method, attendance and participation are very important and required of each student. As in the real world, the cases are rich in detail, yet open-ended and incomplete at the same time. Therefore, do not approach a case as you would a book chapter or a magazine article. In order to derive maximum benefit from the case method, it is essential that you mentally “get inside” the case.</p> <p>Class participation will be graded based on the subjective assessment of the professor. Given the extensive group-based work and the high caliber of the students, my previous experience suggested that this is likely to be a <i>key</i> area of differentiation in your final grade. Please note that you will not earn full mark for “class participation”</p> |

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| | <p>if you simply show up and offer a few casual remarks.</p> <p><u>"Dos" for Case Discussions</u></p> <ul style="list-style-type: none"> • Keep an open mind • Relate outside experience • Be provocative and constructive <p><u>"Don'ts" for Case Discussions</u></p> <ul style="list-style-type: none"> • Do not make sudden topic changes; recognize the flow of discussion • Do not repeat yourself and others • Do not "cut" others to "score points" <p>Remember it is the quality of your participation, not the quantity (or “air time”), that will lead to good performance in class discussion. The following criteria are employed:</p> <ul style="list-style-type: none"> • Excellent class participation: The student consistently attends class, consistently contributes to case discussions, and consistently demonstrates superior understanding and insights • Good class participation: The student consistently attends class, consistently contributes to case discussions, and occasionally demonstrates superior understanding and insights • Mediocre class participation: The student inconsistently attends class, inconsistently contributes to case discussions, and rarely demonstrates superior understanding and insights. |
| Make-up Exams | No |
| Extra Credit | No |
| Late Work | Late written assignment will be downgraded by 10% every business day |
| Special Assignments | For all papers, both hardcopies and Blackboard submissions will be required . That is, please submit all written homework via Blackboard. In addition, please also print out a hardcopy and deliver to me in-person, in-class. If you are unable to deliver the hardcopy in-person, in-class, please ask a classmate to print out a hardcopy for you and give to me on your behalf. |
| Academic Professionalism and Citizenship | <p>You are expected to exhibit the highest level of professionalism and courtesy in and out of class. Minimum behavioral expectations include:</p> <ul style="list-style-type: none"> • Turn off cell phones, beepers, and pagers while in class • Arrive punctually to class (if you have to be late in arrival or to depart early, please find a seat closer to the door in a non-disruptive manner) <p>More seriously, please be aware that anyone who commits an act of scholastic dishonesty is subject to disciplinary actions. Given that this course is writing-intensive, the primary concern is plagiarism—defined as not giving credit to others’ work and representing such work as one’s own. Operationally, if words are copied verbatim, they must be placed in quotation marks and properly documented—either in footnotes or in (name, year) format (such as [Peng, 2009] for my book) with a reference list at the end of your work. Direct quotes should also provide a page number. Quotation marks and page numbers are not necessary when you paraphrase someone else’s work using your own words. Nevertheless, you should still give credit to the origin of these ideas. Failure to do so consists of plagiarism. For an example of adequate documentation of sources, see end-of-chapter Notes sections after each chapter in my book. See also http://www.utdallas.edu/student/slife/dishonesty.html</p> |

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| <p style="text-align: center;"><u>NOTES from the Bureaucracy</u></p> | <p>Your mastery of the following notes will be tested during a pop quiz—<i>just kidding!</i></p> |
| <p style="text-align: center;">Student Conduct and Discipline</p> | <p>The UT System and UTD have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, <i>A to Z Guide</i>, which is provided to all registered students each academic year.</p> <p>UTD administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the <i>Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3</i>, and in Title V, Rules on Student Services and Activities of the university's <i>Handbook of Operating Procedures</i>. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (972/883-6391).</p> <p>A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.</p> |
| <p style="text-align: center;">Academic Integrity</p> | <p>The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.</p> <p>Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.</p> <p>Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.</p> |
| <p style="text-align: center;">Email Use</p> | <p>UTD recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's UTD email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at UTD provides a method for students to have their UTD mail forwarded to other accounts.</p> |
| <p style="text-align: center;">Withdrawal from Class</p> | <p>The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to</p> |

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| | <p>handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.</p> |
| Student Grievance Procedures | <p>Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's <i>Handbook of Operating Procedures</i>.</p> <p>In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.</p> <p>Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.</p> |
| Incomplete Grades | <p>As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.</p> |
| Disability Services | <p>The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m. Please contact:</p> <p style="text-align: center;">UTD Office of Disability Services, SU 22 PO Box 830688, Richardson, Texas 75083-0688 (972) 883-2098 (voice or TTY)</p> <p>Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.</p> <p>It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.</p> |
| Religious Holy Days | <p>UTD will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt</p> |

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| | <p>from property tax under Section 11.20, Tax Code, Texas Code Annotated.</p> <p>The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.</p> <p>If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.</p> |
| Off-Campus Instruction and Course Activities | <p>Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean.</p> |

Academic Calendar

| Date | Cases (cases are in the book unless noted as "PACKET") | Chapters |
|--------------------|---|---|
| SM 1. Fri PM 9/10 | The guns of August 1914 (packet) | Introduction / Ch 1: Strategizing globally |
| SM 2. Sat AM 9/11 | Bookoff, Amazon, and the Japanese bookselling industry (p. 387) | Ch 2: Industry competition |
| SM 3. Sat AM 9/25 | Private military companies (packet) | Ch 3: Resources and capabilities |
| SM 4. Fri PM 10/8 | Unilever's "Fair and Lovely" whitening cream (p. 411) | Ch 4: Institutions, cultures, and ethics |
| SM 5. Sat AM 10/9 | Pearl River's international strategy (p. 437) | Ch 6: Entering foreign markets Ch 7: Strategic alliances |
| SM 6. Sat AM 10/23 | Is a diamond (cartel) forever? (p. 441) | Ch 8: Competitive dynamics |
| SM 7. Fri PM 11/5 | Corporate strategy at Cardinal Health (p. 457) | Ch 9: Diversifying, acquiring, restructuring |
| SM 8. Sat AM 11/6 | The Wal-Mart effect (packet) | Ch 11: Corporate governance Ch 12: Corporate social responsibility |
| SM 9. Sat 11/20 PM | Team project presentations | |

Class Schedule¹

SM 1 **Introduction / Ch 1: Strategizing around the globe**

Additional reading: A. G. Lafley, 2009, What only the CEO can do, *Harvard Business Review*, May: 54-62 (PACKET)

In-class exercise: What is your company's strategy? What is its "official" mission statement?

Case: The Guns of August, 1914 (PACKET)

1. What exactly is strategy?
2. What were the main characteristics of the French and German strategies in 1914?
3. What were the strong points in these strategies? The weak points? What should have been done differently? Why?
4. What principles of strategy do the success and failure of each side suggest?

SM 2 **Ch 2: Managing industry competition**

Case: Bookoff, Amazon Japan, and the Japanese bookselling industry (p. 387)

1. Why is the profitability of large Japanese retail booksellers relatively poor and their scale relatively small?
2. The *Saihan* system serves as a price-fixing cartel to deter entry. This practice, often labeled as "collusive" and "anticompetitive," would be illegal in many other countries such as the United States. What are the benefits for individual companies and the industry to participate in this system? What are the costs? (You may want to consult Chapter 8)
3. Draw on the industry-based, resource-based, and institution-based views to explain the success of Bookoff and the more mediocre performance of Amazon Japan. What is going to happen to them if the *Saihan* system dissolves?
4. If you were a board member of Barnes & Noble or Borders, would you approve a proposal to open a series of bookstores in Japan now? Would you change your mind if the *Saihan* system dissolves?

Debate to be presented: Industry rivalry versus strategic groups (in particular mobility barriers, see pp. 50-53)

SM 3 **Ch 3: Leveraging resources and capabilities**

Case: Private military companies (PACKET)

1. From a resource-based view, explain why certain PMCs not only outperform other PMCs, but also outperform certain national militaries?
2. From an institution-based view, explain what is behind the rise and the emerging concerns of this industry? Why are some PMCs interested in self-regulation?
3. As an investor, will you consider buying stocks of PMCs such as DynCorp? Why or why not? Do you have any ethical reservations?
4. As an oil company executive setting up operations in a political unstable country, would you consider hiring security personnel from Blackwater?

Debate to be presented: Static resources versus dynamic capabilities (OR bad apples versus bad barrels in Ch 4)

SM 4 **Ch. 4: Emphasizing institutions, cultures, and ethics**

Case: Unilever's "Fair & Lovely" whitening cream: Doing well but not doing good (p. 411)

1. The author argues that Unilever's "Fair & Lovely" is doing well but not doing good. Do you agree?
2. Milton Friedman wrote (in 1970) that "the business of business is business." If you were a Unilever executive, how would you defend the product?
3. If you were an Indian government official or a social activist, what would be your proposed solution?

¹ Minor changes may be made in the course content as the semester progresses

Debate to be presented: Bad apples versus bad barrels (OR pick anything from Ch 12 on corporate social responsibility)

SM 5

Ch. 6: Entering foreign markets / Ch. 7: Strategic alliances

Case: Pearl River Piano Group's international strategy (p. 437)

1. Drawing on industry-, resource-, and institution-based views, explain how PRPG, from its humble roots, managed to become China's largest and the world's second largest piano producer.
2. Why did Tong believe that PRPG must engage in significant internationalization (other than the current direct export strategy) at this point?
3. If you were one of those professors who visited Tong in March 2000, how can you brief him on the various pros and cons of various foreign market entry options?
4. Again, if you were one of those professors, how would you specifically point out a direction to tackle the US market for PRPG?

Debate to be presented: Alliances versus acquisitions

SM 6

Ch. 8: Managing competitive dynamics

Case: Is a diamond (cartel) forever? (p. 441)

1. Most cartels fail within a short period of time due to organizational and incentive problems. Why is the diamond cartel so long lasting (spanning the entire 20th century and still going, despite some recent loss of power)?
2. Drawing on industry-, resource-, and institution-based views, explain why De Beers has been phenomenally successful.
3. Given the multidimensional current challenges, what are the opportunities for De Beers? What are the threats? What strengths and weaknesses does De Beers have when dealing with these challenges?
4. Discuss the future of the rivalry between De Beers and Leviev, especially in the new arena of retail competition with branded jewelry. How does the future hold for both firms?

Debate to be presented: Strategy versus IO economics and antitrust policy (should De Beers be prosecuted by competition/antitrust authorities in South Africa and the United States?)

SM 7

Ch 9: Diversifying, acquiring, and restructuring

Case: Corporate strategy at Cardinal Health (p. 457)

1. What are the benefits and costs of Cardinal Health's product related diversification strategy?
2. What has made Cardinal Health the biggest player in the US health care industry in general and the undisputed profitability leader in the drug distribution business in general?
3. To focus more on international activities, what are the main opportunities and obstacles?
4. Does Cardinal Health need to adjust its organizational structure (currently represented by the four US-focused product divisions) to create a better fit with its more internationally oriented strategy?

Debate to be presented (pick one or both): Product relatedness, acquisitions vs. alliances (why didn't Cardinal use alliances?)

SM 8

Ch 11: Corporate governance / Ch 12: corporate social responsibility

Case: The Wal-Mart effect (PACKET)

C. Fishman, 2006, The Wal-Mart effect and a decent society: Who knew shopping was so important? *Academy of Management Perspectives*, 20: 6-25. (NOTE: This article is the case)

1. Do you think Wal-Mart is a "problem"? Why or why not? In other words, what's wrong about Wal-Mart? Or, what's right about Wal-Mart?
2. Fishman wrote that "Wal-Mart is a creation of us and our money . . . It is also a mirror. Wal-Mart is quintessentially American" (pp. 24-25). Freeman argued that the so-called "Wal-Mart effect" has been

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present “since the opening of the first Wal-Mart and *every other* business start-up.” If so, does the American style capitalism—or, if we may, capitalism broadly defined—really have a problem?

3. Critics argue that because of Wal-Mart’s relentless pressure on suppliers to lower costs, Wal-Mart destroys numerous manufacturing jobs in the United States and sends jobs to countries such as China. Do you think this criticism is fair?
4. While this case focuses on the US economy, Wal-Mart is also “global,” in the case that it is now the largest corporate employer and the largest retailer in both Canada and Mexico. It is also the second largest grocer in Britain. It has stores in many other countries. What is the likely Wal-Mart effect on other countries—or the global economy in general?

Debate to be presented: The fundamental debate: Are stakeholders (other than those Wal-Mart deeply cares about, consumers and shareholders) have a legitimate “claim” here?

SM 9 **Case presentations: Lessons from recent projects in global strategy**

REQUIRED:

- Distribute a one-page handout (maximum 12 slides, with six slides printed on one sheet on one side, double-sided printing) to the professor
- A hardcopy and softcopy of your 10-page case write up (both Word and PowerPoint)

About Your Professor

Mike W. Peng (PhD, University of Washington) is the Provost’s Distinguished Professor of Global Strategy, the first holder of such distinction at UTD. Professor Peng is widely regarded as one of the most prolific and most influential scholars in global strategy—both the United Nations and the World Bank have cited his work in major publications. His market leading textbooks, *Global Strategy* and *Global Business*, are studied in business schools in over 30 countries, and have been translated into Chinese and Portuguese.

Professor Peng joined UTD in the summer of 2005. Since he started teaching in UTD’s EMBA, GLE MBA, Cohort (full-time) MBA, and Professional (evening/part-time) programs in 2006, our program rankings have experienced an exciting upsurge. *Financial Times* in both 2007 and 2008 ranked our EMBA program No. 1 in Texas, top 20 in the United States, and top 40 in the world. *Wall Street Journal* in 2009 ranked our EMBA No. 6 in the United States for return on investment, and *BusinessWeek* in 2009 ranked our EMBA No. 22 in the world. Our Cohort MBA in 2009 and 2010 was ranked by *U.S. News and World Report* as a top 50 school in the United States, and our Professional MBA was ranked by *BusinessWeek* in 2010 as No. 1 in Texas and No. 24 in the United States.

Dr. Peng’s more detailed bio can be found (1) in the *Global Strategy* textbook that we will be using and (2) at the following two websites:

www.mikepeng.com www.utdallas.edu/~mikepeng

Appendix 1: Grading Criteria for Writing Assignments (for your 10-page term project case write up)

I. Content Issues (60%)

- (a) Clarity of the story line (10%)
- (b) *Use of concepts and theories* applied to the case (20%)
- (b) Reasonableness of analysis (10%)
- (c) Appropriateness of *recommendations/conclusions* (20%)

II. Process Issues (40%)*

- (a) Effectiveness of presentation (20%)
(including speech posture, maintaining eye contact with the audience instead of reading off the script, use of visual aids, timing, and answer of questions)
- (b) Effectiveness of written reports (20%)
(including readability, flow, logic, and organization; writing mechanics, such as free of grammatical and spelling errors, use of sections and headings, and page numbering; use of literature; and attachments such as graphs, tables, and calculations, whenever applicable)

Appendix 2: Table of Contents for the Reading Packet

1. A. G. Lafley, 2009, What only the CEO can do, *Harvard Business Review*, May: 54-62.
2. B. Tuchman, 1962, *The Guns of August*
3. M. W. Peng, 2010, Private military companies, case study
4. C. Fishman, 2006, The Wal-Mart effect and a decent society: Who knew shopping was so important? *Academy of Management Perspectives*, 20: 6-25.