

Spring Semester 2017
Strategic Management (BPS 4305)
BPS4305.502.17S: Thursday: 7:00pm - 9:45pm, JSOM 12.202

Professor Contact Information

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Course Pre-requisites:

BCOM 3310 (or equivalent), FIN 3320, ITSS 3300, OPRE 3310, OBHR 3310, MKT 3300, and STAT 3360 (or OPRE 3360)

Course Description

The Strategic Management course has been designated a capstone course in business at the University of Texas at Dallas. The purpose of a capstone course is to integrate the learning achieved in individual business courses taken to earn a business degree. The knowledge acquired in finance, accounting, operations, MIS, marketing, and organizational behavior classes will be utilized to study the strategic management of the firm as well as the responsibilities of the general manager. Students will draw on their broadened awareness of various environmental influences (including social and political) to solve business problems. Management alternatives will be examined with an ethical perspective relating policy trends to the strategic planning mode.

We will use cases and readings to explore a wide range of strategic problems, focusing particularly on the sources of competitive advantage and the interaction between industry structure and organizational capabilities. We will analyze case histories of real businesses and how the management dealt with real challenges. This course asks that you take the risk of articulating your opinion on real business challenges. It asks that you to support those opinions with facts that would cause real businesspeople to accept your arguments. Doing so will help you to acquire the tools you will need to play key roles in existing organizations or to create worthwhile new ones.

Student Learning Objectives/Outcomes

Overall, the objective of the course is to:

- to sharpen students' abilities to think critically, logically and strategically, and
- to help them learn to diagnose situations from a strategic perspective.

Specifically, students will be able to:

- complete an external analysis of a firm.
- complete an internal analysis of a firm.
- identify the strategic problems of a firm and develop ethical solutions to those problems.
- integrate skills acquired in finance, accounting, marketing, operations management, and MIS courses to create a successful firm strategy.

A note about the workload: Because of the objectives of the course, this will be a demanding course. Students are urged to schedule 6 to 8 hours per week, in addition to regular class attendance. If you

cannot devote this much time to study over the next several months, please drop the course this semester and take it during a semester when you have more time.

Required Textbook and Materials

- 1) G.G. Dess, G. McNamara, and A.B. Eisner. *Strategic Management: Creating Competitive Advantages*. 2016. 8th Edition, McGraw-Hill Irwin. ISBN-13: 978-1259303500
- 2) Coursepack (~\$17)
Available at Harvard Business Publishing site: <http://cb.hbsp.harvard.edu/cbmp/access/58374449>
- 3) Also, throughout the course, I will assign newspaper or magazine articles, which are available to you for free on the UTD McDermott Library website:
<https://www.utdallas.edu/library/resources/databases/database.php?sub=Business+%26+Management>

eLearning

To download power point slides and other information about this class, please use eLearning (elearning.utdallas.edu). eLearning will also be the method of communication regarding upcoming events, changes to the syllabus, and grades. Also, please send your direct emails through eLearning, otherwise I will not respond to you.

Laptop & Mobile Device Policy

A mutually supportive learning environment depends on active attention and engagement. For this reason, no laptop (or Internet connected device – e.g., an iPad or iPhone) use is allowed during classroom sessions. The value of legitimate use of laptops is far outweighed by the distraction that they create for your classmates and the overall learning environment.

Course Requirements and Grading Policy

- 1) Participation (15%): Your participation grade is based on attendance and active participation. You are expected to attend every class on time, stay to the end of the period, and participate in assignments and in-class discussions. I will excuse absences only in the case of documented serious illness, family emergency, religious observance, or civic obligation. If you will miss class for religious observance or civic obligation, you must inform me no later than the first week of class.

The goal of class discussion is to arrive at a collective analysis of the issues presented by the day's materials. Strategic analysis is not accomplished through the routine application of formulas, but rather through reasoned analysis under conditions of limited information and uncertainty. One of the primary goals of this course is to help you develop the ability both to clarify your own position on a strategic question and to be able to articulate and defend it clearly. Hence, this course depends on the active participation of students in class discussion. In addition, since every student is a co-producer of the class discussion, it is important that every class member listens carefully to one another and attempts to build on or constructively critique prior comments.

Accordingly, you must come to class prepared, having read the assigned reading before hand, analyzed the discussion questions for the assigned cases, and kept abreast of current business news. Just as businesspeople are evaluated to a significant extent based on the contributions they

make to discussions within their organizations, you will be evaluated to a significant extent based on class participation. You will do well if:

- you regularly come to class in a timely fashion, stay the entire period,
- make insightful and relevant comments,
- show intellectual curiosity by going beyond the obvious,
- be clear, logical and to the point,
- see various sides of arguments and challenge views presented in the case of by other course participants,
- avoid repeating case facts or repackaging someone else's comments,
- integrate and build on knowledge from previous lecture, other courses, current business news, or personal experience

- 2) Group case memos and peer evaluations of your contribution to the memos (15%): You will form a group of 3 or 4 members to discuss the cases (in the coursepack) and jointly write the memos. The study questions below should guide preparation for each case. The group memorandum will answer any one of the study questions. Each group will submit a 2 to 4-page memorandum to address the selected question. The work should reflect the thinking of everyone on the team. Everyone should be prepared to defend his or her answer in class. Each memorandum should be typed and double-spaced, Times New Roman, 12 point font with one-inch margins. The 2 to 4-page limit is for text only. You may attach as many numerical calculations or diagrams as you wish.

Case memos should be uploaded to the homework folder for your group by 3:00 on the day of the class in which it will be discussed.

A memorandum will be given full credit if it is handed in on time and no credit if it is not. Initially we will review, but not grade them. However, we will use the memoranda to determine final grades for those students who are on the border between grades (i.e., between A and B etc.).

You will also have the opportunity to evaluate the relative contributions of your teammates (and yourself) at the end of the semester. Relatively lower peer evaluations will decrease your individual grade on the group case memo. The evaluations will be due on **May 4 by 5:00pm in eLearning**.

- 3) Three exams (45% total: Exam 1=10%, Exam 2=15%, Exam 3=20%) There will be three exams during class times. They will be closed book exams, but you may have one letter-size page of notes to bring to the exams. The first one will be on **February 16**. It will be multiple choice and short answers. The second exam will be on **March 23**. It will have medium length questions about a case. Before the exam I will give you the case to take home to prepare. The last exam will be **April 27**. This will be a cumulative exam consisting of short answers, and case-like questions. Further details on the format of the exams will be made as they approach. Information from the readings, cases, exercises and class discussions will be covered on the exams. Please plan on the exam dates. **There will be no make-up exams nor will it be given early.**
- 4) Individual Project (25%): You will analyze a publically traded company and how it competes in its industry. The project requires that you choose a publically traded company so that information about the firm is easily accessible. The objective of the project is to help you prepare for your career upon graduation. The industry you study is one that you want to learn more about and/or a company you want to work for. The more you put into the project, the more rewarding the experience will be for you.

When analyzing your company, you should adopt the role of an outside analyst from a consulting firm who is evaluating the current and future potential of the strategies being pursued by the company. Please note that extensive outside research will be required to complete the assignment. A complete analysis will contain five main parts:

1. A financial analysis to assess the company's health
2. An external analysis of the firm
3. An internal analysis of the firm
4. The identification of the firm's strategy as well as the strategies of its competitors
5. A set of strategic recommendations for the focal firm based on your analysis; a discussion about the potential implementation constraints and alternatives to address these constraints

To be sure you are moving along with the assignment, I will encourage you to turn in portions of your project during the course of the semester. Your final, complete, and *polished* project paper will be due by **May 4 by 5:00pm**. An electronic copy of the paper needs to be submitted **via eLearning**. Late papers will receive a penalty of 5 points per day. This paper should be **14 to 16 double-spaced pages in 12-point** font. Figures, financials, and other exhibits are not included in the page limit. More information about the requirements of this project will be posted on **eLearning**.

More on Grading Policies

- All assignments must be turned in by the beginning of class in eLearning on the date they are due or otherwise specified. Late assignments will be penalized by 5 points for each calendar day they are late.
- To appeal a grade, submit a typewritten request explaining your position (along with the original assignment) within 7 calendar days of receiving your grade. Document your points with the appropriate course material. After reviewing your explanation I will either award you additional points or schedule a meeting with you to discuss the disputed issue(s). I reserve the right to re-grade the entire assignment when an appeal is submitted. This can result in a lower grade.
- Cheating in any form will be prosecuted to the fullest extent permitted by the university.
- Plagiarism occurs when you use another's intellectual property (words or ideas) and do not acknowledge that you have done so. Plagiarism is a very serious offense. If it is found that you have plagiarized—deliberately or inadvertently—you will face serious consequences.
- The best way to avoid plagiarism is to cite your sources, both within the body of your assignment and in a bibliography of sources you used at the end of your document.
- *Internet Research*: Materials gathered through research via the Internet must be cited in the same manner as more traditionally published material. Lack of such citation constitutes plagiarism.
- The weighted average score calculated from the course requirements will be converted into a grade using the follow cut-off points:

96.7	A+	93.3	A	90	A-
86.7	B+	83.3	B	80	B-
76.7	C+	73.3	C	70	C-
66.7	D+	63.3	D	60	D-

Course Schedule

Unless otherwise noted, chapters and cases should be read BEFORE the class session for which they are assigned.

Dates	Topics	Required Preparation / Assignments (BEFORE CLASS)
Jan. 12	<ul style="list-style-type: none"> Introduction Overview of course 	Read: (after class) Chapter 1 in Dess, McNamara, and Eisner (DME) Form case discussion teams
Strategic Analysis		
Jan. 19	<ul style="list-style-type: none"> Creating Competitive Advantages Analyzing the External Environment of the Firm 	Read: Chapter 2 in DME <i>Project Milestone 1: Decide which company you will analyze for your individual project. Identify its closest 2 or 3 competitors. Post in eLearning.</i>
Jan. 26	<ul style="list-style-type: none"> Case discussion (The Movie Exhibition Industry) Analyzing the Internal Environment of the Firm 	Case Memo: The Movie Exhibition Industry: 2013 Read: Chapter 3 in DME <i>Project Milestone 2: Collect data about the company you will analyze. Obtain the past 5 years of financial data for your company and its closest 2 or 3 competitors. Obtain analyst reports of your company and its industry, retrieve annual reports and company statements, search for news articles, reports about your company, etc.</i>
Feb. 2	<ul style="list-style-type: none"> Recognizing a Firm's Intellectual Assets 	Read: Chapter 4 in DME Review: Financial Ratios Analysis
Feb. 9	<ul style="list-style-type: none"> Case discussion (Trader Joe's) Exam 1 review 	Case Memo: Trader Joe's <i>Project Milestone 3: Draft financial analysis.</i>
Feb. 16	<ul style="list-style-type: none"> Exam 1 Use the rest of class time to work on Individual Project 	<i>Project Milestone 4: Draft external environment analysis.</i>
Strategic Formulation		
Feb. 23	<ul style="list-style-type: none"> Business-level Strategy 	Read: Chapter 5 in DME
Mar. 2	<ul style="list-style-type: none"> Case discussion (Chipotle) Corporate-level Strategy 	Case Memo: Chipotle Mexican Grill Read: Chapter 6 <i>Project Milestone 5: Draft internal analysis.</i>
Mar. 9	<ul style="list-style-type: none"> Case discussion (Disney) Entrepreneurial Strategy Exam 2 review 	Case Memo: The Walt Disney Company Read: Chapter 8 in DME

Mar. 16	No class – Spring break	
Mar. 23	<ul style="list-style-type: none"> • Exam 2 • Use the rest of class time to work on Individual Project 	<i>Project Milestone 6: Draft your firm and its competitor's strategies.</i>
Strategic Implementation		
Mar. 30	<ul style="list-style-type: none"> • Strategic Control and Corporate Governance 	Read: Chapter 9 Prepare to answer: What is the corporate governance structure of your firm?
Apr. 6	<ul style="list-style-type: none"> • Creating Effective Organizational Design 	Read: Chapter 10 in DME <i>Project Milestone 7: Draft your recommendations.</i>
Apr. 13	<ul style="list-style-type: none"> • Case Discussion (Alibaba) • Strategic Leadership 	Case Memo: Alibaba Read: Chapter 11 in DME
Apr. 20	<ul style="list-style-type: none"> • Managing Innovation and Fostering Corporate Entrepreneurship • Exam 3 review & Course wrap-up 	Read: Chapter 12 in DME <i>Project Milestone 8: Pull all sections together in one document. Begin to edit your writing. Draft your executive summary.</i>
Apr. 27	<ul style="list-style-type: none"> • Exam 3 • Use the rest of class time to work on Individual Project 	<i>Project: Continue to edit and polish your writing.</i>
May 4	No class	Due in eLearning: <ul style="list-style-type: none"> • Individual project – 5pm • Team evaluations – 5pm

Case Questions and Assignment Details

Be prepared to answer the following questions for each case. The questions in bold should be answered for the group case memos. Memos are due by **3:00 pm** on the day of the class in which the case will be discussed.

I strongly encourage you to meet regularly in your group to discuss each case and all the questions below before class meets, even for those you are not writing a case memo. Working in groups will give you a chance to learn from your colleagues. It also provides an opportunity to discuss your ideas in a setting approximating the management teams typically charged with these issues.

Case: The Movie Exhibition Industry

1. Review trends in the general environment that affect the movie exhibition business, and establish their potential to help or harm theater owners.
2. Assess the five competitive forces at work in the industry environment. Which of the forces threatens the profitability of major movie theaters? What level of competition can be anticipated among industry rivals? What recommendations do you have for the movie industry?
3. Is there any way to achieve competitive advantage in this industry?

Case: Trader Joe's

1. How do firms in the supermarket industry make money?
2. What are key sources of Trader Joe's competitive advantage?
3. What are main threats to Trader Joe's competitive advantage? Is their advantage sustainable?
4. How would you modify Trader Joe's strategy moving forward?

Case: Chipotle Mexican Grill (CMG)

1. What insights does a SWOT analysis reveal about how the company should be positioned in the future?
2. How does CMG compete? How do CMG's resources support the company's competitive position?
3. What challenges does CMG face in late 2012? How should Ells and Moran position CMG to respond to these challenges?
4. What would you recommend the company to do?

Case: Walt Disney

1. What measures or indicators would you use to determine whether Disney has a successful corporate-level strategy? Does Disney have a successful corporate-level strategy? Why/Why not? What would you recommend?
2. Why has Disney been successful for so long?
3. What did Michael Eisner do to rejuvenate Disney? Specifically, how did he increase net income in his first four years?
4. Has Disney diversified too far in recent years?

Case: Alibaba

1. How does Alibaba Group create a corporate advantage? (Why are the businesses under one roof?) Is this corporate advantage sustainable? Why/Why not?
2. Is the current degree of competition among the business units appropriate? Do you think that Jack Ma should encourage more cooperation? If so, how?
3. As Alibaba develops new businesses, how should the firm incorporate them into the organizational structure? What are the benefits and costs of having new businesses report directly to Jack Ma?
4. What should Jack Ma and his C-Suite be concerned about? Should Jack Ma centralize more functions at the corporate level? If so, which ones? Should Jack Ma create a Chief Operating Officer position? What would you recommend to Jack Ma?
5. Where should the new business initiatives (mobile platforms and financing small businesses) reside organizationally? At corporate or within the individual business units?

UT Dallas Syllabus Policies and Procedures

The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus.

Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.

The descriptions and timelines contained in this syllabus are subject to change at the discretion of the Professor.