

Course: Strategic Management I (21855) – Dr. Antonio Márquez

Degree: Business - Management (Grado en Ciencias Empresariales Management)

Year: 2014-15 **Course:** second **Term:** third **Number of ECTS credits:** 5 credits

Language or languages of instruction: English

Professors: Dr. Antonio Márquez, antonio.marquez@upf.edu.

Theory class: Monday 14:30-16:00 and Tuesday 14:30 – 16:00

Seminars: Wednesday (103) 9:00-10:30 / (102) 13:00-14:30 / (101) 14:30-16:00

1. Presentation of the course

The course aims to prepare students' capabilities and develop their skills to understand the process of strategy formulation in a business environment. Students will familiarize with the methodology and tools to understand and formulate business strategies.

The content of the course will answer the following questions: Why study strategy? Why strategy is so important for business and Sustainability. Where are the internal and external limits of strategy. How to craft business strategies for dynamic contexts. How to harmonize successful strategies and good corporate governance in the 21st century.

Course objectives

1. Understand the nature of strategic competitiveness and develop the ability to analyze the environment facing a firm, assess the attractiveness of the industry and isolate potential sources of competitive advantage and disadvantage.
2. Develop business level strategies by defining the type of advantage sought, scope of operations and activities required to deliver the chosen strategy. Assess the likely sustainability of firm strategies and competitive positions.
3. Discriminate among the types of data to evaluate alternative scenarios. Make quantitative assessments of strategic alternatives and develop logical, coherent and persuasive analyses for a desired course of action.
4. Consider the actions of competitors and other stakeholders and how that impacts your ability to reach your strategic goals. Develop courses of actions that incorporate the actions of multiple players in the marketplace.
5. Integrate knowledge and apply analytical techniques from various disciplines, including finance, accounting, marketing, operations, organization theory and organizational behaviour, and economics. The goal is to identify and analyze strategic issues and develop solutions in the form of actionable plans with the purpose of developing and sustaining competitive advantage.

2. Competences to be attained

Thinking strategically is a difficult skill to master. The objective of this course is to push the students to think strategically in different situations. The course introduces the students to a coherent framework of value creation and value capture and develops related concepts that are used to analyse the competitive environment of a firm and its internal strengths and weaknesses.

The generic skills to be emphasized in this course are:

Generic skills:

- G1.** Understand and interpret relevant and reasoned written texts of academic level and character.
- G2.** Be able to justify their own positions with consistent arguments and to defend them publicly.
- G3.** Be able to communicate properly in both oral and written forms in front of both expert and inexperienced audiences.
- G6** Be able to work as part of a team, participating actively in the work and negotiating with divergent views to reach consensus positions
- G7** Develop the ability to reason with distance self-critical issues or controversial issues.
- G8** Accepting a diversity of views as a fundamental ingredient of academic life and integral to contemporary society, and be able to present their own opinions while respecting differing opinions.
- G9** Consolidate habits of self-discipline, be self-demanding and show rigor in the conduct of academic work and in the organization and its proper timing.
- G10** Be proactive in the desire to know what was ignored, which is essential in any learning process and in any professional activity projection.
- G11** Be able to flexibly and creatively apply the acquired knowledge and to adapt to new situations and contexts
- G16** Use the appropriate information in the formulation of proposals and problem solving
- G17** Apply economic reasoning to adopt decisions in high risk situations.
- G18** Apply the knowledge and procedures relevant to a range of complex situations.
- G19** Identify the key factors of a problema The course will enable students to understand the main strategic challenges of the company.

The course will encourage team work as well as writing and speaking skills through the intensive use of the case method. Following the same scheme, the specific skills to be addressed in this course are:

Specific skills:

- E1.** Be capable of carrying out any task in the field of business administration and management.
- E2.** Be able to establish and manage their own business
- E3.** Be able to manage any functional area or department in the company: human resources, sales, finance, etc.
- E4.** Solve management and administration problems arising in the company
- E5.** Carry out business advisory and consulting tasks
- E6.** Lead individuals and teams, motivating them and managing changes
- E7.** Be able to negotiate appropriately to achieve favourable and sustainable agreements.

To pass the course, the student must achieve a high level of competence.

3. Contents

A. Introduction to strategy

Definition of strategy-mission-vision, sustainability, different levels of strategy, strategy formulation process, introduction to innovative business models. Key vocabulary about strategy.

B. External analysis – The global environment

The STEEP model: Social, Technological, Economical, Environmental (Ecological), Political. Examples of key data and sources of information. Scenario planning. Macro and Industry dynamics analysis. Introduction to Stakeholders evaluation.

C. External analysis – The competitive environment

The Five Forces model (M. Porter). How industry forces affect the performance of a business. Internal rivalry from direct competitors, suppliers, buyers, substitutes and new entrants. Other tools for understanding the competitive environment. Structure of the market. Market definition. Strategic groups. Crafting and developing business strategy for dynamic contexts. International strategies.

D. Internal analysis

Identifying strengths and weaknesses of the organization. Traditional functional analysis. Core competences, “core business” and their relationship with competitive advantages. Value chain analysis and value system analysis. Sources, capabilities and activities.

E. Generic competitive strategies

Positioning: advantage in costs and advantage in differentiation. The nature and sources of advantage in costs and its risks. Analysis of the advantage of differentiation with regard to supply and demand.

F. Business Models / Implementation Strategy

Employing strategy implementation lever. Considering new ventures and corporate renewal. Activity-system maps (M. Porter) as a way to design and implement a sustainable competitive advantage. Blue ocean strategy: Definition of new categories of products and services that create and capture uncontested market spaces. Corporate governance in the 21st century.

G. Final Project (40%).

During every seminar, in groups of 3 or 4, Students must do a 25 minutes oral presentation about a company's strategic decision:

e.g.1: evaluate how the arrival of a new CEO has effected company's internal an external dimensions (employees motivation, productivity, stock quotation, impact in the industry, image and reputation, rivalry, etc.);

e.g.2: how a change in the legislation has led to a change in a company o industry transformation (adaptation of its products and services to the new situation, impact on consumers, peer agreements, new entrants barriers, etc ...)

Students must run the presentantion and the vivid debate. After the presentation the rest of the groups will have 15 minutes to prepare 3 challenging questions to the group.

The presentation group can include short videos about the subject and distribute hard copies of articles one week before the date of their presentation.

The group will have to send to the Instructor their proposal of oral presentation at least 4 working days before the day of the presentation. The day of the presentation the group will turn in to the Instructor a Word doc. with an index, main content and sources of information of the Project (1500 to 2000 words). At the bottom of every section or page students must put their names to identify their contribution to the final Project.

Skills:

G1/ G2 / G3 / G4 / G6 / G7 / G8 / G9 / G10 / G11 / G16 / G17/ G18 / G19/ G20
E1 / E2 / E3 / E4 / E5 / E6 / E7

H. Final exam (45%):

We will consist in a multiple choice test, only one possible answer, errors (-1/3).

Skills:

G1/ G3/ G4 / G7 / G9 / G10 / G11 / G16 / G17 / G18 / G19
E1 / E5 / E7

I. Participation (15%)

Participation with a **polite**, positive and working aptitude during the theory classes and seminars

4. Assessment

The course will be graded as follows:

Participation: 15%

Seminar project: 40%

Final exam: 45%

A minimum **of 4/10** is necessary in the final exam to pass the course.

5. Bibliography and teaching resources

5.1. Fundamental bibliography

O • JOHNSON, G., K. SCHOLES and R. WHITTINGTON (2007): Exploring corporate strategy, 7^a edition. Essex: Pearson.

O • KIM, W. CHAN (2005): "blue ocean strategy". Harvard Business School Publ. Corp.

O • PORTER, M.E.(1980): "Competitive Strategy", The Free Press.

O • PORTER, M.E. (1985): "Competitive Advantage", The Free Press

O • PORTER, M.E. (2008): "On Competition", Harvard Business School Press.

O • SENGE, Peter (2008): The necessary revolution, Nicolas Bredley Publishing

5.2. Additional bibliography

CARPENTER, M. (2009): Strategic Management: concepts and cases, last edition. Essex . Pearson.

<http://www.contemporarystrategyanalysis.com/about7thedition.php>

<http://www.themanager.org/index.html>

http://www.12manage.com/management_dictionary.html

Regular reading of The Economist, Harvard Business Review, Fortune, or The Guardian.

6. Methodology

The process of teaching of the course will be carried out as follows:

Lectures:

There will be sessions of theory classes that will last 1h30 each. The function of these classes will be to provide students with the key conceptual tools of business strategy and analysing strategic decision making.

Individual class contribution

Strategic thinking is best learned through practice and use of strategic concepts. The cases we will study are about specific business situations; they are an opportunity to both apply the concepts we **discuss in class as well** as further develop our ability to think about competitive strategy. **Debates are an important part of the course**, which makes it imperative that everyone attempts to regularly contribute to class discussions.

Active participation in the class is an essential part of the learning experience. We will be using short cases and exercises, as well as other readings and you must be prepared to discuss everything assigned for the particular session. Meaningful participation means making a contribution to our discussion, not merely talking, and it does not mean repeating case facts or simply agreeing with what others have already said. Case discussion demands that we listen carefully to the statements of others, ask them to explain or defend controversial points, and expect to defend our judgments as well.

There are usually many valid ways of looking at any issue we study, so don't worry about being "wrong".

The grade will be based on such measures as the **quality** of student contributions, attendance, and punctuality.

Seminar projects

There will be 6 seminars dedicated to implementing and sharing the contents from the theory classes. This learning activity will take place with the active participation of students, by analysing business strategic cases (students oral presentation).

For the seminars, students have to organize themselves in small groups. Each week, one group will presents its case. The other team will prepare some questions to the presenting group putting particular emphasis on relating the case study with business news. Students will be graded both on their presentation/discussion and their participation in class.