

Strategic Management II (21862)

Degree: EMP

Year: 2014-2015, 2nd term

Number of ECTS credits: 5 credits

Language of instruction: English

Theory class – G1 (30 hours): Monday 9:00-10:30 & Tuesday 9:00-10:30

Instructor: George Chondrakis (george.chondrakis@upf.edu)

Office hours: By appointment (20.1E76)

Seminars (9 hours): Wednesday 09:00-10:30 (G101) 13:00-14:30
(G102) 14:30-16:00 (G103)

Instructor: Marc Le Menestrel (marc.lemenestrel@upf.edu)

Theory class – G2 (30 hours): Monday 11:00-12:30 & Tuesday 11:00-12:30

Instructor: George Chondrakis (george.chondrakis@upf.edu)

Office hours: By appointment (20.1E76)

Seminars (9 hours): Thursday 10:30-12:00 (G201) 12:00-13:30 (G202)
13:30-15:00 (G203)

Instructor: Marc Le Menestrel (marc.lemenestrel@upf.edu)

1. Introduction

The strategic management field is primarily concerned with explaining differences in performance across firms. As such, this course builds on the tools and concepts you have learned in the introductory strategy course (Strategic management I) and provides a comprehensive set of frameworks and theories to analyze heterogeneity in business organizations.

In Strategic Management II we will combine insights from a variety of social science disciplines. We will look into economic theories of organization but also incorporate ideas from sociology, organizational theory and psychology. Corporations are extremely complex social structure and thus require a variety of perspectives to appreciate their function and outcomes.

Strategic Management II puts particular emphasis on how firms create and capture value in dynamic environments. It is about how firms compete based on knowledge and innovation: innovation embodied in products, services and productive process. We will look into the challenges faced by organization when trying to successfully innovate, capture value from innovation or collaborate with other competitors to jointly generate new knowledge. We will also focus on the performance implications of corporate diversification and the challenges associated with firm growth.

2. Competences to be attained

G. GENERAL SKILLS

- G1. Understand and interpret texts relevant and reasoned academic and character level.
- G2. Being able to justify their own positions consistent arguments, and to defend publicly.
- G3. Being able to properly communicate orally and written with both expert and inexperienced audiences.
- G6. Being able to work in a team, actively participating in the tasks and negotiating with dissenting opinions to reach positions consensus.
- G7. Develop independent reasoning ability with critical distance on topics or controversial issues.
- G8. Embrace diversity of views as a fundamental ingredient academic life and inherent to contemporary society, and be able to present their own opinions while respecting the divergent opinions.
- G11. Being able to flexibly and creatively apply knowledge acquired and to adapt to new situations and contexts.
- G16. Identify the key factors of a problem
- G17. Demonstrate a critical approach to different situations
- G18. Demonstrate a multidisciplinary approach in the treatment and resolution of problems
- G19. Develop entrepreneurial and innovative

E. SPECIFIC SKILLS

- E1. Respect the moral, ethical and legal responsibility and social derived from their own actions and those of the institution
- E2. Being able to search, recognize and evaluate opportunities to create new business
- E3. Manage the launch and development of new businesses
- E4. Being able to design and conduct market research
- E5. Identify and evaluate the various options for market entry foreigners

3. Contents

- A. Introduction & understanding corporate performance
- B. Innovation and technology strategy: How do firms generate innovations and how they profit from them?
- C. Diversification and corporate strategy: How do firms manage their horizontal scope?
- D. Cooperative strategies: Can firms profit and generate innovations from cooperating with their competitors?
- E. Global strategy: How do firms compete across countries and jurisdictions?

4. Methodology

In working through this course it is important to realize the purpose and limitations of strategic analysis. Unlike in physical sciences like chemistry or physics, it is impossible to describe certain steps or decisions (i.e. strategies) that will ensure a certain outcome (i.e. increased profitability). That is to say, there are no rules for riches. Strategy can be more usefully understood as a collection of tools and frameworks that help analyze certain strategic questions or the “right” thing to do in a particular business setting. But these answers may have limited applicability to other situations. Strategy is therefore, to a certain extent, a study of contingencies. This course is designed to present a number of these contingencies along with empirical regularities in order to help students develop (heuristic) modes of thinking about strategy.

The theory classes will provide you with a wide variety of tools and frameworks to analyze business organizations and the strategies they adopt. The students are not expected to adopt a passive role but rather participate by identifying suitable applications of the theories discussed, their limitations etc. We will also try to emphasize the study of real life situations, thus giving students the opportunity to understand and analyze a particular business situation through the lenses of the individual decision maker.

The seminars will adopt a novel and complementary approach to the theory classes. The intention is to innovate and diversify your learning of strategic management. The inspiration for this innovative setting comes from the book “The Ignorant Schoolmaster: Five Lessons in Intellectual Emancipation” written by Jacques Rancière, a French philosopher. Besides the basic principle that there is no intellectual superiority of the teacher over the students, this book suggests that education is about your emancipation as human beings and that the most appropriate way to learn is to teach.

The seminar professor has therefore designed this series of seminars bringing his knowledge and experience as a teacher into the process itself. You will be the main deliver of content and be endowed with a large freedom as to the way you want to deliver it to other students. During the seminars, his responsibility will lie as being the keeper of the learning space and the witness of your learning process. Your responsibility will be to learn what you want to learn and to teach what you have learned. We have chosen a series of 6 topics which we believe are relevant to the current world of strategic management and which are also susceptible to raise your interest. For each topic, we are proposing a few cases that are going to be taught in class by teams of students. Although this may vary with the final number of students in the course, we are planning to discuss 2 cases per class. For more details see:

<http://www.econ.upf.edu/~lemenestrel/UPF-Seminars-of-Strategic.html>

Successful completion of the course will help you consolidate the knowledge you have acquired so far regarding organization-level actions, their antecedents, their implementation and their impact on firm performance. This course is therefore an essential part of your degree as it combines and builds on insights from a variety of courses you have attended so far. Importantly, strategic management II will equip you with the skills necessary to understand business behavior and (with luck) help improve your responses to business problems. This is key for your career progression and your own self-development.

5. Assessment

Course assessment will be based on the following:

1. Seminars (25%)

- the seminar grade will be based on your participation during the seminars, the quality of your questioning before the learning process, the quality of your learning outcome and the quality of the session presentation and facilitation. For details see:

<http://www.econ.upf.edu/~lemenestrel/UPF-Seminars-of-Strategic.html>

2. Final project (25%)

- the central theme of the final project is the analysis of the strategy of a specific corporation that you select. You should choose an entrepreneurial company that has created new markets by introducing novel products, pioneered creative solution to established industries or has disrupted (or is likely to disrupt) a specific sector of the economy. It is helpful to select a company whose strategy inspires you or that you would want to understand better. The greater part of the resulting output should consist of the analysis of the situation, rather than a

passive recounting of descriptive information. Again it is crucial to link theory with practice. Do not put emphasis on the frameworks you have seen in the Strategic Management I course. You should use the theory and tools we will see in this course, especially the ones related to innovation. Questions that you could address are: how is this company innovating? Why did this company fail to profit from innovation? What are the sources of the company's innovations? How did this company disrupt a particular industry? Why is the company engaged in patent litigation? Each team will email me a 1-page proposal about the company they would like to analyse. In the proposal you should explain why you think the company is interesting to analyse, how you will develop your analysis, and what data you have available. The output will be a presentation (max 15 slides) and a report (max 4,000 words) at the end of the term. Remember that in your explanations, quality counts and quantity does not. All teams will present their work during the last sessions of the course and then participate in the discussion of each project. The presentations should last a maximum of 15 minutes.

3. Theory class participation (10%)

- class participation is important because it provides the best and most frequent indication that you have prepared for class. In addition, it is important because your participation in class discussion teaches others. For both reasons you need to make every reasonable effort to be in class on time and well prepared. If you are absent from class without telling me in advance, or unless you missed because of a medical or family emergency, your participation grade will suffer. The point is to come to class, to be prepared, and to be active. In grading class participation, both the quantity and quality of your contributions are taken into account.

4. Final exam (40%)

- there will be a final exam comprised of essay questions and/or multiple choice questions.

Students must achieve a pass grade in all separate elements in order to successfully complete the course. If the student fails the final exam it is possible to recover it. Seminar presentations and class participation, due to their nature, cannot be recovered.