

UPF – IBE Degree (Academic Year 2012-2013)

STRATEGIC MANAGEMENT

3rd Year, 2nd Trimester

Schedule:

Theory class:

Monday 15:30 – 17:00 and Tuesday 15:30 – 17:00 – Oriol Palom

Seminars:

Group 1 Thursday 14:00 – 15:30 – Estève Giraud

Group 2 Thursday 9:00 – 10:30 – Oriol Palom

Group 3 Thursday 10:30 – 12:00 – Oriol Palom

Language: English

Contact data:

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COURSE OUTLINE:

Strategy involves the coordination and integration of the efforts within the different functional areas of an organization for dealing with an uncertain future. This comprises formulating a business strategy for each individual unit of the firm, formulating a corporate strategy, and implementing these strategies. Strategy formulation involves understanding the business the firm is in, determining how to position the strategic unit within this business environment, and developing the capabilities to compete, but also to cooperate, in this environment. Strategy at the same time coordinates and integrates the individual functional strategies such as manufacturing, marketing, innovation, sales, and finance.

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.
6. Consider how to effectively implement plans within the constraints imposed by the complex behaviour of individuals within organizations. Each student should be able to effectively communicate his or her conclusions in both oral and written form.

SKILLS EMPHASIZED

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 analyze the competitive environment of a firm and its internal strengths and weaknesses.

The skills emphasized in this course following the planned scheme for IBE studies are:

G1.	Understand and interpret relevant and reasoned written texts of academic level and character.	Individual work, cases, project, Final exam
G2.	Being able to justify their own positions consistent arguments and to defend them publicly.	Participation in class, seminars (cases) and Course project
G3.	Being able to communicate properly in both oral and written both expert and inexperienced audiences.	Seminar (Cases), Course project, Final exam
G4	Being able to use English in all areas of work (read, write and speak in a high register)	Participation in class, Short quizzes, Seminars (cases), Course project, Final exam
G6	Be able to work as a team, participating actively in the work and negotiating with divergent views to reach consensus positions	Seminars (cases), Course project
G7	Develop the ability to reason with distance self-critical issues or controversial issues.	Participation in class, Seminars (cases), course project, Final exam
G8	Accepting 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.	Theory, Seminars (cases)
G9	Having consolidated habits of self-discipline, self-demanding and rigor in the conduct of academic work and in the organization and its proper timing.	Seminars (cases), Course project
G10	Be proactive in the desire to know what ignored, essential in any learning process and in any professional activity projection.	Theory classes, Seminars (cases), Course project, Short Quizzes, Final exam
G11	Being able to flexibly and creatively apply the acquired knowledge and to adapt to new situations and contexts	Seminars (cases), Course project, Short Quizzes
G16	Use the appropriate information in the formulation of proposals and problem solving	Seminars (cases), Course project, Final exam
G17	Apply economic reasoning to adopt decisions making in high risk situations.	Seminars (cases), Course project, Final exam
G18	Apply the knowledge and procedures relevant to a range of complex situations.	Seminars (cases), Course project, Final exam
G19	Identify the key factors of a problem	Seminars (cases), Course project, Final exam

Following the same scheme, the specific skills addressed in the course are:

E1.	Using economic models of international trade to analyse the impact of trade policies on major macroeconomic variables	Theory classes, Seminars (cases), Course project, Final exam
E2.	Understanding the mechanisms of internationalization of a company and all routes of entry into foreign markets.	Seminars (cases), Course project
E3.	Evaluate the constraints and opportunities of different foreign markets, with the goal of internationalization decisions of a company.	Seminars (cases), Course Project
E4.	Implement adaptation strategies of the various tools of marketing and promoting products and services to foreign markets.	Seminars (cases), Course Project
E5.	Understand the limitations and opportunities of transactions with international financial markets	Seminars (cases), Course project
E6.	Know the main differences between accounting systems and their adaptation through international accounting standards.	Seminars (cases), Course project
E7.	Take fiscal decisions of locations of sources of income and residence in an international business context, assessing the impact on management and business results	Seminars (cases), Course project

The course is organized with a combination of theory, case discussion, and group presentations (Final project) and in the previous table this information is mixed with the skills addressed in the course.

The tentative outline follows, although we might be discussing other issues as they come up at the teachers' discretion.

CONTENT:

I. Introduction (Week 1)

Definition. Differences between strategic and tactical decisions. Some vocabulary about strategy.

II. The limits of a company (Week 2)

Vertical and horizontal limits of a company. Different levels of strategy, from corporate to competitive and functional levels. Static and dynamic analysis of a firm. The identity of the company and how is connected with the core values, the mission statement and the vision statement. Corporate level strategies. Strategy in other organizations, from natural systems to NGOs.

III. External analysis – The global environment (Week 3)

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

IV. External analysis – The competitive environment (Week 4 and 5)

The Five Forces model (M. Porter). How the 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. Perfect competition. Monopolies and Oligopolies. Does collaboration make sense in the competitive environment?.

V. Internal analysis – The company assessment (Week 6)

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.

VI. Generic competitive strategies (Week 7)

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.

VII. New approaches for competitive strategies (Weeks 8 and 9)

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.

DELIVERABLES AND GRADES

A series of deliverables is assigned to develop different skills:

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. Discussions 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 (not the quantity) of student contributions, attendance, and punctuality. Please inform the professor before class if unable to attend and the reasons for the absence.

Short quizzes

I will give short unannounced quizzes during the course, which may cover a case, assigned readings, or other material from previous classes. No make-up opportunities will be available if you are absent or late.

Course project

The central theme of the course project is the analysis of the strategy of a specific business that you select. You can choose any company, but I would urge you to select a company whose strategy inspires you or that you would want to understand better. The precise content of the project is up to you, although it is expected that the conceptual material of the course will provide the basic structure for the analysis. The greater part of the resulting output should consist of the analysis of the situation, rather than a passive recounting of descriptive information. Class cases are not always the best model for projects because they are deliberately purged of all analysis.

Course project rules:

1. The project is a group work with your assigned team.
2. Each team will email me a 1-page proposal about the company they would like to analyse by **January 16th**. 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.
3. The team work is handed in as a presentation (powerpoint or prezi) and a report (word or pdf) at the end of the term. Please hand in a hard copy of the presentation at the beginning of your presentation session or email the presentation to the professor. The maximum length is 15 slides. Please use a separate Word report to write explanatory notes (maximum 3000 words, excluding exhibits). Remember that in your explanations, quality counts and quantity does not.
4. All teams will present their work during the last three sessions of the course and then participate in the discussion of each project. The presentations should last a maximum of 10-15 minutes.
5. Your final grade for the project will be based on your presentation and the report

Seminar assignments

Seminars consist largely of business cases. For the seminars, students have to organize themselves in small groups. Each week, each group presents one of the questions of the case study, which is then discussed with the other students. Students will be graded both on their presentation, which accounts for half the grade, and their participation in class, which accounts for the other half.

Final exam

There will be a final exam, but it will be valued only 10% of total score. The date of the final exam is already planned for April 4th (Thursday).

To sum up, your final grade will be based on a combination of continuous evaluation (theory classes, seminars), the project and the final exam. All of these deliverables are weighted as follows:

General evaluation					
Evaluation activity	Criteria	% final grade	Options for recovery ^{2,3}	% recovery (over final grade)	Skills
Individual class contribution	From 0 to 10 points depending on the number of positive contributions in class	10%	Not possible	Not possible to recover	G1 / G2/ G4 / G7 / G8 / G10 E1 / E3 / E5 / E6 / E7
Short quizzes ¹	From 0 to 10 points, (based on multiple choice questions)	20%	Not possible	Not possible to recover	G1 / G4 / G10 E1 / E7
Seminar assignments ¹	From 0 to 10 points Students need to meet deadlines of the assignments (delivered using “aula global”)	20%	Possible to recover at the end of the course	25%	G1/ G2 / G3 / G4 / G6 / G7 / G8 / G9 / G10 / G11 / G16 / G17/ G18 / G19/ G20 E1 / E2 / E3 / E4 / E5 / E6 / E7
Course Project	From 0 to 10 points (Mean between oral presentation in class and delivered report)	40%	Possible to recover (through a written and oral test) at the end of the course	50%	G1 / G2 / G3 G4 / G5 / G6 G7 / G9 / G10 / G11 / G16 / G17 / G18 E1 / E2 / E3 / E4 / E5 / E6 / E7
Final exam	From 0 to 10 points	10%	Possible to recover at the end of the course	25%	G1/ G3/ G4 / G7 / G9 / G10 / G11 / G16 / G17 / G18 / G19 E1 / E5 / E7

Notes:

- 1) The failure to present assignments or take the quizzes without justified and properly accredited cause entails that “0” points will be given for that criterion.
- 2) **Terms of eligibility for recovery:** The recovery process is only available for students who having participated in at least 50% of the continuous assessment activities and have obtained suspense in the evaluation during the term. Students may only recover that of those activities that have received a rating below 5.
- 3) **Students form exchange programs:** In the case of students coming from exchange programs it is provided an alternative recovery system, as follows:

Evaluation system for students coming from mobility programs				
Evaluation activity	Criteria	% final grade	Options for recovery	Skills
Oral and written test	From 0 to 10 points	100%	July 2013	G1 / G2 / G3 / G4 / G6 / G7 / G8 / G9 / G10/ G11 G16 / G17 / G18 E1 / E2 / E3 / E4 / E5 / E6 / E7

BIBLIOGRAPHY:

Our class will loosely follow the following textbook:

- “Contemporary Strategy Analysis”, by R. M. Grant, 6th Edition, Blackwell Publishing, 2008.

Further references include:

- Regular reading of Harvard Business Review, Fortune, or The Guardian*
- Porter, Michael: “Competitive Strategy”, The Free Press, 1980.
- Porter, Michael: “Competitive Advantage”, The Free Press, 1985.
- Porter, Michael “On Competition”, Harvard Business School Press, 2008.
- D’Aveny, Richard “Hyper Competition” The Free Press, 1994
- Kim, W. Chan: “Blue Ocean Strategy”. Harvard Business School Publ. Corp, 2005.
- Senge, Peter: “A Necessary Revolution”, Broadway Business, 2008

* Reading economic press, it is highly recommended to focus on “positive news” and not fall always on the more typical pessimistic news