

Strategic Management (21855)

Degree: EMP

Year: 2013-14

Course: second

Term: third

Number of ECTS credits: 5 credits

Language or languages of instruction: English

Professors: Susana Domingo, susana.domingo@upf.edu (group 1)

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Theory class: Monday 15:30-17:00 and Tuesday 15:30 – 17:00 (group 1)

Monday 17:30-19:00 and Tuesday 17:30 – 19:00 (group 2)

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

Wednesday (203) 9:00-10:30 / (202) 13:00-14:30 / (201) 14:30-16:00

1. Presentation of the subject

The course aims to equip students with the skills needed to understand the process of strategy formulation in a business environment. Students will familiarize themselves with the methodology and tools to interpret and formulate business strategies.

The content of the course will include: Why study strategy? Strategies for Sustainability. The horizontal and vertical limits of the company. Diversification and corporate mergers. Market structure and competition. Dynamic competition. The strategic engagement. The threat of market entry. Industrial analysis. Strategic positioning and competitive advantage. Sustaining competitive advantage. Sustainability as a strategy in organizations.

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 problem

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, sustainability, levels of strategy, strategy formulation process, innovative business models. Some 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. Stakeholders analysis.

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. Does collaboration make sense in the competitive environment?

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.

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

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.

G. Final Project

4. Assessment

The course grade will be determined based on student contributions to all of these deliverables, 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
Seminar assignments	From 0 to 10 points Students need to meet deadlines of the assignments	20%	Possible to recover at the end of the course	20%	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	40%	Possible to recover at the end of the course	40%	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	30%	Possible to recover at the end of the course	30%	G1/ G3/ G4 / G7 / G9 / G10 / G11 / G16 / G17 / G18 / G19 E1 / E5 / E7

Students must pass all parts separately (independently)

During the course students will be assessed on their analytical skills, such as the manner of expression and presentation, as well as active participation in class.

Notes:

1) The failure to present assignments 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.

5. Bibliography and teaching resources

5.1. Basic bibliography

- BESANKO, D. et al. (2007): Economics of strategy. New York: Wiley.
- GRANT, R.M. (2008): "Contemporary Strategy Analysis", 6th Edition, Blackwell Publishing.
- JOHNSON, G., K. SCHOLLES and R. WHITTINGTON (2007): Exploring corporate strategy, 7^a edition. Essex: Pearson.
- KIM, W. CHAN (2005): "blue ocean strategy". Harvard Business School Publ. Corp.
- PORTER, M.E.(1980): "Competitive Strategy", The Free Press.
- PORTER, M.E. (1985): "Competitive Advantage", The Free Press
- PORTER, M.E. (2008): "On Competition", Harvard Business School Press.
- SENGE, Peter (2008): The necessary revolution, Nicolas Bredley Publishing

5.2. Additional bibliography

<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 basic 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. 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.

Seminar assignments

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 cases.

For the seminars, students have to organize themselves in small groups. Each week, one group presents the case study and answers the case study questions. A second team then discusses the case study 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.

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 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. 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 (pdf) and a report (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 4000 words, excluding exhibits). Remember that in your explanations, quality counts and quantity does not.
4. 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 10-15 minutes.
5. Your final grade for the project will be based on your presentation and the report