

Strategic Management

MGMT 65000

Spring 2021 – Section 002:

MTR 4:30 pm - 6:00 pm in Rawls 3082

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Office Hours:	Tuesday 3 – 4 pm or by appointment at your convenience

Text & Readings

Contemporary Strategy Analysis by Robert M. Grant, preferably 7th Edition. The book is available in multiple formats such as loose leaf, e-book, etc. so shop wisely as prices vary.

Case Packet available on the course web page under “Course Packet”.

Course Description

Many decisions that managers face are *strategic* in that they have big financial and organizational implications and cannot be easily reversed. These decisions are almost always complex and involve conflicting objectives, scarce resources, uncertain technologies, ambiguous or contradictory information, conflicts among different functional areas (e.g., finance, marketing, and production), environmental uncertainty, etc. In order to deal with all these issues, managers must be able to understand and structure complex business situations in systematic, useful ways. In addition, they should be able to extrapolate the likely outcomes of various courses of action that they can take.

This course will introduce you to a toolkit of analytical approaches and theoretical concepts that will help you deal with the above complexities. We will focus on the job, perspective, and skills of the general manager in diagnosing what is critical in complex business situations and finding realistic solutions to the identified problems. Unlike other core courses that tend to focus on a single functional area of business, we will take a high-level view of the business as a whole. In addition to being useful to general managers and consultants, this course is fun and has many applications. Small businesses and nonprofit organizations can benefit from understanding how to formulate and implement effective strategies. Functional specialists can benefit from the general management perspective, as every function's actions should be coordinated with the overarching needs of the business in order to contribute to its performance. Your own career will benefit if you can translate what you do to the needs and perspectives of top management. Finally, this course is steeped in the language of the business world and will help in your job search and interviews as well.

Class Conduct

In order to capture the pragmatic, action-oriented, complex, and ambiguous nature of management, this course will supplement textbook chapter discussions with business cases and a real life project. Business cases replicates the “real world” trial-and-error experience of managers, thereby deepening judgment. Case discussions generate a dynamic process of vigorous questioning, responding, examining, and debating, in the low-risk class environment in which careers are not at stake. Because strategy issues are often characterized by ambiguity, complexity, and uncertainty, this course

is more about *asking the right questions* than about knowing the right answers. The key process that we will practice is to THINK, then EXPLAIN, then LISTEN, and then keep repeating this loop.

We will also form teams that will apply concepts from the class to startups and young companies associated with Purdue's Foundry. The project offers an opportunity for mutually beneficial exchange between business students and entrepreneurs with diverse and mostly non-business backgrounds. We will have several conversations about the selected companies during the semester, and the projects will culminate in formal final presentations and reports.

We will reach consensus on some issues, yet many of you will have differing interpretations as we proceed through the course. You may find yourself occasionally frustrated by the ambiguity and difficulty of assimilating conflicting points of view. It will be important to remember that this is the nature of strategy, management, and real life in general.

A tentative schedule is provided at the end of this syllabus. Please check the course homepage regularly because any changes will be announced there.

Grading

Your grade will be based on the elements listed below, and each element will be graded on the 0-to-4 grade scale, where A=4.0, A-=3.7, B+=3.3, and B=3.0, etc. Your final weighted average will be rounded to the closest grade that can be assigned, such as A, A-, B+, etc. For example, a weighted average of 3.55 will result in an A- and 3.42 in a B+.

A. Final Exam (30%)

The exam will test both your mastery of the concepts and your ability to apply them using a combination of multiple-choice, true/false, and short answer questions. The exam will be closed book, no notes, with no electronic devices present on the desk or in view. If the development of the COVID epidemic dictate, the exam will be administered online.

B. Participation (20%)

Because much of the learning in this class will occur through discussion, regular attendance and/or active participation on discussion boards is expected. Meaningful participation requires having carefully read and thought about the day's material, but that is not sufficient, you also need to share your thoughts! While key insights are valued, you can also contribute by asking questions, posing dilemmas, politely disagreeing with others, or following up on others' comments with further insights or evidence. Finally, noticing and alerting me to errors or problems with class materials or course web page is good citizenship that helps the entire class, and will result in extra credit for participation.

It is understood that other concerns including COVID quarantining may force you to miss classes. If this happens, please be sure to read the assigned chapters and download class handout which will be posted on Purdue Brightspace. You will be able to earn your attendance & participation credit by being active on discussion boards which will be ongoing.

C. Case Assignments (5·4% = 20%)

For each of the 5 business cases that we will analyze, there will be a set of questions to be answered in a 1 to 2-page write-up. The questions will be posted on the course homepage, and these assignments will be due *by the beginning* of the respective class.

D. Term Project (2*3+12+12=30%)

Each team will work with a real world company and analyze its strategy. Purdue listed at Purdue's Foundry are excellent candidates for this exercise as you can typically gain access to the founders and get additional information. This project serves three objectives: (1) it provides an opportunity to hone your skills in strategic

analysis in a real and hopefully stimulating business setting, (2) it helps you to learn how to gather information on industries, firms, and technologies, and (3) it deepens your ability to work in teams and tap into your teammates' knowledge, interests, backgrounds, and creativity.

The objective of this exercise is to produce a professional quality document (12% of the grade), similar to what one might see if you were working as an internal or external consultant, or an investment banker or industry analyst. I will ask that each group choose a project by the end of the second week of classes. We will devote two classes to project updates (3% each) and each team will give a presentation at the end of the semester (12% the grade). More details will be posted on the course homepage as we go through the semester.

Important General Rules:

I will assume that you will download and print all the handouts that will be posted on Brightspace by midnight the day before class. Also, be sure to regularly check the course homepage for any important announcements or updates.

Technology: All mobile phones, PDAs, pagers, and other electronic devices should be turned off during class and any detected use of these devices will reduce your participation grade. Use of laptops is a privilege and not a right. You are welcome to take notes using your laptops during the lectures **but not during case discussions**. Please keep in mind that use for any other purpose (web surfing, messaging, work on assignments for other classes, etc.) will reduce your participation grade. It is particularly taxing for the rest of the class if I have to remind a student to close his or her laptop during case discussions.

Academic Integrity: To foster a climate of trust and high standards of academic achievement, Purdue University is committed to cultivating academic integrity and expects students to exhibit the highest standards of honor in their scholastic endeavors. Detailed guidelines for academic integrity and rules for academic behavior can be found at: <http://www.purdue.edu/odos/osrr/conductcode.htm>. This website provides a guide and is not an exhaustive list of academic misconduct activities. If you are ever unsure of what is allowed, please contact me.

Please do not pass on course materials or notes to future students or students in other sections. Such behaviors will be considered a violation of academic integrity and will only hurt the learning of others that follow you.

Your Safety and Adverse Weather

There are two basic types of responding to emergencies, Building Evacuation (GET OUT) and Shelter-In-Place (STAY IN).

Building Evacuation (GET OUT): Evacuations are mandatory for fire alarms and when directed by authorities, no exceptions! Please take some time to learn the different ways to leave the building. Evacuate immediately in case of an emergency, taking critical personal items only (keys, purse, and outerwear).

Shelter-in-Place (STAY IN) means seeking immediate shelter inside a building or University residence. This course of action may need to be taken during a tornado, release of hazardous materials on the outside, etc. When you hear the sirens, immediately go inside a building to a safe location and use all communication means available to find out more details about the emergency. Remain in place until police, fire, or other emergency response personnel provide additional guidance or tell you it is safe to leave.

The University takes into consideration local and regional weather conditions, travel conditions, and decisions by local school districts when deciding whether to delay, dismiss or cancel classes and/or routine operations for an entire campus. Should this situation occur, I will update the tentative schedule of classes and post it on Brightspace.

Group Work

Each team member is required to be actively involved in the preparation of each team assignment, due to both pedagogical and reasons of basic fairness. Failure to actively participate cheats both you and your teammates, and there will be little tolerance for free riding.

It is each team's responsibility to eliminate free riding. Should the group dynamic be less than ideal, it is encouraged that members of the group try and work through the issues on their own. This is the same dynamic that will be encountered in team settings in the workplace. Should the problem prove difficult to rectify, it is encouraged that students bring this to light early in the semester so that we can work out a solution.

To help manage expectations and assure fairness, there will be a peer evaluation at the end of the course. Individual members who have not contributed to the group reports will have the final grade for group assignments adjusted to reflect their actual contribution level. See the peer evaluation section attached below for further clarification.

PEER EVALUATION FORM GUIDELINES

*IT IS **REQUIRED** THAT EVERY CLASS MEMBER FILL THIS OUT*

A link to the survey in CATME will be sent out at the end of the semester

(all ratings are confidential)

One of the enduring difficulties of using group projects in a class is assessing the contributions of individual group members to the final cumulative product of the group. Consequently, in evaluating group project work and assigning grades, it is important to have input from the members of the groups that participated. In this regard, you will be evaluating each of your team member's contribution on the following scale:

- 1 = this group member did virtually nothing on the project.
- 2 = this group member gave minimal input, i.e., he or she came to some meetings (missing others) and did only a few things to contribute.
- 3 = this group member gave a fair amount of input, i.e., he or she came to most meetings and contributed in meaningful ways.
- 4 = this group member substantially contributed to the project, i.e., at almost all meetings, made strong contributions to data collection, analysis, writing, organizing, etc.
- 5 = this group member was a mainstay of our project, a major contributor.

Before assigning a score to each group member, please consider your responsibility in this task. Evaluation can be unpleasant at times. It is always hard to decide what is "fair". It is something you will face for the rest of your managerial career and is not to be taken lightly. Members of organizations who contribute more should expect more. Members who do not contribute should not receive the same benefit of those whom do not contribute. Be fair, be honest, but be frank.

Students who receive an average rating that is less than 2.5 by the other team members will have 10% deducted from their group work point total, students who have an average rating less than 2 will have 20% deducted, and those below 1.5 will have 30% deducted.

Filling a peer review will count toward attendance and participation, resulting in a credit equivalent to one class attendance.

Tentative Schedule of Classes

The current tentative Schedule of Classes is attached below. Please check Purdue Brightspace regularly as the content and order of classes may change depending on how we progress through the semester. Please note that ***all team reports will be due on Thursday, March 11 by 5 PM.***

Monday	Tuesday	Thursday
Jan 18: Martin Luther King Day	Jan 19 - Group 1: Introduction (Ch. 1, skim Ch. 2) and Industry analysis (Ch. 3)	Jan 21 - Group 2: Introduction (Ch. 1, skim Ch. 2) and Industry analysis (Ch. 3)
Jan 25 - Groups 1 & 2: Topics in Competitive Analysis (Ch. 4)	Jan 26 - Group 1: Internal Analysis (Ch. 5), The RTE Cereal Industry	Jan 28 - Group 2: Internal Analysis (Ch. 5), The RTE Cereal Industry
Feb 1 - Group 1: Competitive Advantage & Performance (Ch. 8, Ch. 9), Business research using library resources, <i>Project Update #1</i>	Feb 2 - Group 1: Competitive positioning and business models (Ch. 10), Husky Injection Molding	Feb 4 - Group 2: Competitive positioning and business models (Ch. 10), Husky Injection Molding
Feb 8 - Group 2: Competitive Advantage & Performance (Ch. 8, Ch. 9), Business research using library resources. <i>Project Update #1</i>	Feb 9 - Group 1: Industry Evolution and Management of Innovation (Ch. 11 & 12), RIM: The Mobile OS Platform War	Feb 11 - Group 2: Industry Evolution and Management of Innovation (Ch. 11 & 12), RIM: The Mobile OS Platform War
Feb 15 - Group 1: Organization Structure (Ch. 7) <i>Project Update #2</i>	Feb 16 - Group 1: Vertical and horizontal scope of the firm (Ch. 14 & Ch. 16), Danaher	Feb 18 - Group 2: Vertical and horizontal scope of the firm (Ch. 14 & Ch. 16), Danaher
Feb 22 - Group 2: Organization Structure (Ch. 7) <i>Project Update #2</i>	Feb 23 - Group 1: Global strategies and the multinational corporation (Ch 15), Haier: Taking a Chinese Company Global	Feb 25 - Group 2: Global strategies and the multinational corporation (Ch 15), Haier: Taking a Chinese Company Global
March 1 - Select teams from either group: <i>Team Presentations</i>	March 2 - Group 1: <i>Team Presentations</i>	March 4 - Group 2: <i>Team Presentations</i>