**Management 4380-Strategic Management**

Sections 001 & 003

Fall 2016

Kimberly B. Boal, Professor of Management

Class Hours: 9-9:50 am (001) Room 011

11-11:50 am (003) Room 103

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Text: Arthur A. Thompson, Margaret A. Peteraf, John E. Gamble, and A. J. Strickland lll, Crafting and Executing Strategy (CES)

W. Chan Kim and Renee Mauborgne, Blue Ocean Strategy, 2005. (BOS)

Teaching Assistants: Matthew Lafont (matthew.lafont@ttu.edu)

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**Purpose of Course**

Management 4380 is first and foremost a course about "strategy," and about "managing for success." While there are no formulas for “riches” you can influence your chances by the decisions you make. The fundamental question we seek to understand is why some firms succeed and others fail. To do so requires that we first understand the range of businesses and the industries in which a firm chooses to compete, i.e., its **corporate strategy**; next that we understand how the firm attempts to compete, (how it will reach the hearts and minds of their customers so that they will be the provider of choice) i.e., the **competitive or business level**

**strategies** it develops; and finally, how it marshals, coordinates, and controls it resources to

achieve a sustainable competitive advantage, its **functional level strategies**.

In studying the tasks of managing strategy we shall also tackle another important function: that of trying to integrate much of the knowledge you have gained in the core business curriculum. This is a “big picture" course, a trait that makes it different from other courses. The problems and issues of strategy formulation and implementation cover the whole spectrum of business and management. Many variables and situational factors must be dealt with simultaneously. Weighing the pros and cons of strategy entails a top management perspective of the total enterprise. The objective of this course is to sharpen your abilities to "think strategically" and to weigh things from the perspective of the total enterprise operating in an increasingly global market environment. Accomplishing this objective means giving you an appreciation for the importance of building a sustainable competitive advantage. It means systematically exposing you to the rigors of industry and competitive analysis, to the ingredients of an attractive strategic plan, and to the varied administrative tasks associated with implementing and executing the chosen strategy as well as circumstances permit. And it means instilling a strong sense of ethical principles and values into the process and tasks of managing.

I sincerely hope, when reflecting back on your education, this course will be among the very best course you have ever had-that it will be instrumental in making you: 1) competitively superior; 2) successful in your career; and 3) much wiser about the secrets of first-rate management.

This is a writing intensive course, as such you will be required to write, as a team, a major analysis of your industry, a company of your choice and its competitors. The paper will cover both an Industry analysis and a competitive analysis. It can be no more than 125 pages in length. To prepare you for writing this paper, your team will present 3 chapters from the text, not only covering the material in the text but demonstrating how to apply the material. Feedback will be given on each presentation. More about the presentations and the papers below.

**Learning Outcomes**

Upon completion of this course, the student will be able to:

* Describe, develop, and apply strategic vision.
* Analyze, describe, and understand the external and internal environments of the firm.
* Describe, develop, and apply strategies in organizations.
* Present strategic recommendations in a business environment.
* Produce a strategic analysis of a company and its industry.
* Demonstrate systematic thinking about effective organizations, teams, and people at work.
* Recognize ethical issues and propose alternative approaches to ethical decision making.
* Demonstrate understanding of the relationship between organizations and their external environments, and conduct a strategic and competitive analysis.
* Demonstrate ability to write and speak effectively, considering both audience and purpose.
* Recognize leadership and interpersonal challenges at work and propose alternative approaches for addressing them.
* Communicate effectively through written papers and reports.
* Work in Team Setting

**Grading**

The Mid-term Exam is optional. Only people hoping to make an A or an A- in this class need to take it. If you are willing to settle for a B+ or below, you do not have to take the exam. If however you hope to get an A, then you must take the exam.

Grading: If exam is taken. Grades will be calculated as follows:

Daily Group Assignments from Texts 1/4

Team Industry and Competitive Papers 1/2

 Test: 1 @ 1/4th each 1/4

 Grading: If exam not taken, Grades will be calculated as follows with a ceiling of a B+, but

 a low (except under extraordinary circumstances, e.g., failure to meet with group and do assignments or work on paper) of a C.; Most final grades will be in the B range (B- to B+)

 Dailey Group Assignments from Texts 1/2

 Team Industry and Competitive Paper 1/2

**Preparation of Written/Oral Work**

Written and oral assignments are to be prepared on an individual or group basis as assigned. The Power Points for all presentations are to be sent to one the teaching assistants the night before the presentation. This will give them the time to post them to my website before class.

Since this is a capstone course, it is important that students have the ability to both present ideas and lead a group discussion on those ideas. The ability to speak well and present well is crucial to your career success. Therefore, student teams will be responsible for presenting an oral summary of the readings (using power points) and leading the class discussion on all readings including the text. At minimum, **a good presentation** (B) should summarize important points and take away lessons for the class. **A better presentation (B+/A-)** will link the readings to any other relevant readings or materials in the texts that have been previously covered or are covered contemporaneously in this class or other classes. **The best presentations,** (A) will not only link the presentation to other readings, but will use current events to illustrate how the concepts inform and help us make sense of practice and use what is happening in their own industry and company to illustrate points in the chapter. In addition, **poor presentations** will be evidenced by presenter reading from their notes or power points, not engaging the audience, or maintaining eye contact. **A good presentation** will be evidenced by a thorough understanding of the material presented such that the presenters are able to talk to the audience about the material on the power points, while only referencing the power points to make a specific point or to bring the audience on the speaker together.

All presentations should make sure they cover three essential aspects. They are: 1) **What** is the concept/point you are making; 2) **Why** is this important to the Strategist; 3) **How** should you use this in analyzing your Industry or Company.;

The **Class is** expected to give the presenters their full attention. **No computers, (except to take notes), I-phones, etc**. **should be open during the presentation. Nor should any member of the audience be engaged in doing homework or reading for another class**. If I, Dr. Boal, have to remind you of this more than once during the semester, you will be marked absent from class and be asked to leave.

All written work, except tests, is to be typed (double-spaced) or done on computer printers and to follow correct form, spelling, grammar etc. Students should provide written synopsis of articles as well as power points. These should be submitted to the instructor ahead of time who will put them on his website. (See Above).

Papers which, in the opinion of the instructor, employ disproportionately poor grammar and are poorly structured and written, will be assigned a grade that is one-letter lower than would otherwise be assigned. Also, students who read their power points throughout their presentation will be marked down. You need to learn to talk about the material on your power points, not read them if you are to be successful in your career.

**Daily Group Assignments**

 Students will be divided into teams. Each team is given a number of chapters (primarily from the three texts) which they are responsible for covering with the class in the form of an oral presentation, with power points. Competent presentation will completely cover the material in the assigned chapter. Good presentations will cover the material and relate the material to other material we are or have covered. The best presentations will not only do the first two, but in addition will relate the material to current events in the business press. All groups should include three to five class takeaways, the most important points to remember, from their presentation. Each group is to email their presentations to one day before it is due to place on my website.

Each week we will cover a chapter from each book. Teams will present on each day. As time permits, Dr. Boal will talk about the presentations and relate the material to other material to give students a fuller understanding of what they are reading.

**Term Paper**

Each team is to prepare a written report covering an Industry and a Competitive Analysis. The first part focuses on the Industry. This part should cover 1) a financial analysis of the industry (THIS IS NOT THE SAME AS A FINANCIAL ANALYSIS OF THE COMPANY). Here you would want to focus on how profitable the industry was compared to other industries and why it was more/less profitable. Porter’s work is helpful here. How do the major competitors (here you can use your NAICS code to define your competitors) compare on profits, (EBIT and NET), sales and sales growth, and will your industry remain stable or is it going through a period of change (ETOP). If it does, who is in the position to respond. It is here that cash and cash flow become important. Helpful here also are Porter’s Five forces on industry positioning and the Resource based view of the firm since you need to answer if this is a good industry, or industry sub-segment, for you to be in.

Competitive Analysis also known as Business level analysis focuses on how your company and each of its competitors is trying to win the hearts and minds of its customers.
The focus here is on the companies strategies (Cost, Differentiation, Focus), and on the relative resources capabilities. You need to distinguish between Key Success Factors (these are things that all competitors in the industry must do to be successful), your Core Competencies (these are things that you do well and serve as the bases for competition and growth), and your Distinctive Resources and Capabilities (these are things you do better than your competition). Helpful to this section of your paper will be Porter’s Value Chain analysis and Cost/Differentiation/focus, the Resource Based View of the Firm, Issues about Global Strategies and the MNC corporation.

This section should also contain your recommendations about the future of your organization and what changes it needs to make in its Strategy or Structure.

 **Class Attendance**

**Attendance at all class sessions is required.**

Each student is expected to be an active participant and to make meaningful comments. You should, therefore, make a conscientious effort to attend class and be sufficiently prepared to contribute to class discussion.

Understandably, there are circumstances (job interviews, family matters, etc.) which may cause you to miss class. These will not be counted against you, but you are required to present proof. Each student is allowed two unexcused absence. If you are absent, more than twice, then you will lose ½ a grade for the third unexcused absence. Furthermore, each additional unexcused absence, will result in additional deductions from your grade. For example, if you would have received a B as your final grade, but have 3 unexcused absences you will receive a B-, with 4 your grade will be lowered to a C+.

**Team Membership**

To help you pick your team the first two days will partially be devoted to class introductions. When introductions are done, you will be given a chance to pick members for your team. When you are done, Dr. Boal will give your team a number from 1-6. All assignments are based on your team number.

All teams are to write a contract covering team expectations and team assignments, signed by each team member, and hand them into Dr. Boal by the 3rd class. By the fourth class, each team is to 1) pick a company which will be the focus of your team paper, and 2) have meant the Business Librarian (Jake Syma) who will show you how to gather data on your company. You are to ask Jake what is the NAICS code for your company and help you identify the 3-4 major competitors you also must gather data on for your team paper.

Because group work constitutes such a large portion of your grade, not only will students be given the opportunity to choose their own team members, the team will be given the power to firer any student from the team that the other members of the team feel is slacking off and hurting the team’s performance. To do so, each team must first inform me that the student in question is not doing their work and that they are not fulfilling the contract they signed with the team. Second, the team must meet with the student, at a time and place of the team’s choosing, inform the student of his/her deficiencies, give them one chance to improve, then, if they don’t, inform them they have been terminated from the team.

Students terminated from their teams must complete all remaining assignments on their own. Failure to do so will result in a grade of F for the assignment.

**Student Handbook**

**Civility in the Classroom:**

Students are expected to assist in maintaining a classroom environment that is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, unless otherwise approved by the instructors, students are prohibited from using cellular phones or beepers, eating in class, making offensive remarks, reading newspapers, sleeping, or engaging in any other form of distraction. Please note that late arrival to class, early departure from class, use of laptops for non-educational purposes are considered classroom incivilities. Inappropriate behavior in the classroom shall result in, minimally, a request to leave class.  For more information, please go to the Web site (<http://www.depts.ttu.edu/studentaffairs/vpsa/publications/civility.htm>).

**Academic Integrity:**

It is expected that each person will do his or her own work except where explicitly authorized. Scholastic dishonesty on any of the assignments will merit a grade of F for the course. Cheating, plagiarism, collusion, falsifying academic records, and misrepresenting facts or any dishonest act to cause any advantage to self or disadvantage to other students as defined on page 49 of the 2005-06 Undergraduate and Graduate Catalog will not be tolerated.

See <http://www.depts.ttu.edu/studentjudicialprograms/AcademicIntegrity.htm>

**ADA Statement:**

Any student who, because of a disability, may require special arrangements in order to meet the course requirements should contact the instructor as soon as possible to make any necessary arrangements.  Students should present appropriate verification from Student Disability Services during the instructor’s office hours.  Please note instructors are not allowed to provide classroom accommodations to a student until appropriate verification from Student Disability Services has been provided.  For additional information, you may contact the Student Disability Services office in 335 West Hall or 806-742-2405.

**Religious Observances:**

A student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence. "Religious holy day" means a holy day observed by a religion whose places of worship are exempt from property taxation under Texas Tax Code §11.20.

**Sexual Assault, Harassment, and Discrimination**

Texas Tech University is dedicated to providing a safe and equitable learning environment for all students. Discrimination. Sexual Assault, and Harassment are not tolerated by the University. You are encouraged to report any incidents to the Student Resolution Center: (806) 742-SAFE (7233). The Counseling Center (http://www.depts.ttu.edu/scc/) provides confidential support (806-742-3674) and the Voices of Hope Lubbock Rape Crisis Center has a 24-hour hotline: (806) 763-RAPR (7273). For more information about support, reporting option and other resources, to: http://www.depts.ttu.edu/sexualviolence/.

**Tentative Class Schedule**

August 29 Class Organization/Intro. Handout syllabus.

August 31 Intro & Group Assignments. Fill out class cards. Pick teams.

September 2 Overview of assignments/History of Strategy

 Team Contracts due

 Jake Syma - Meet in Library

September 5 Labor Day

September 7 Are you sure you have a strategy

 Name of Company, NAICS Code, Names of Competitors

September 9 Industry and Competitive Situation Analysis

 CES 1

September 12 Financial Ratio Analysis

September 14 CES Chapter 2: Charting a Company’s Direction – Team 1

September 16 BOS Chapter 1: Creating Blue Oceans – Team 2

September 19 CES: Chapter 3: Evaluating a Company’s Environment– Team 3

September 21 BOS Chapter 2: Analytical tools and frameworks – Team 4

September 23 CES: Chapter 4 Evaluating a company’s resources: – Team 5

September 26 BOS Chapter 3: Reconstruct market boundaries – Team 6

September 28 Summary of Lessons Learned – Team 7

September 30 CES: Chapter 5: The Five Generic Competitive Strategies- Team 2

October 3 BOS Chapter 4: Focus on the big picture, not the numbers- Team 3

October 5 CES: Chapter 6: Strengthening a company’s competitive position- Team 4

October 7 BOS: Chapter 5: Reach beyond existing demand – Team 5

October 10 CES: Chapter 7: Strategies for competing in international markets - Team 6

October 12 BOS: Chapter 6: Get the strategic sequence right – Team 7

October 14 Summary of Lessons Learned - Team 1

October 17 CES: Chapter 8: Corporate strategy – Team 3

October 19 BOS: Chapter 7: Overcome key organizational hurdles – Team 4

October 21 CES: Chapter 9: – Ethics, Corporate social responsibility, environmental sustainability and strategy Team 5

October 24 BOS: Chapter 8: Build execution into strategy – Team 6

October 26 CES: Chapter 10 Building an Organization Capable of Good Strategy Execution: – Team 7

October 28 BOS: Conclusion: The sustainability and renewal of Blue Ocean

 Strategy – Team 1

October 31 Summary of Lessons Learned Team 2

November 2 Group Work Day/Study Day

November 4 Group Work Day/Study Day

November 7 Group Work Day/Study Day

November 9 EXAM – Optional. Required for A

November 11 Finish Team Paper

November 14 Industry and Competitive Analysis Presentations Begin

 ALL Papers due

 First Team Presentation

November 16 Second Team presentation

November 18 Third Team Presentation

November 21 Fourth Team Presentation

November 23 Thanksgiving Break

November 25 Thanksgiving Break

November 28 Fifth Team Presentation

November 30 Sixth Team Presentation

December 2 Return Papers, Course Evaluations, Class overview

December 4-6 Last Day of Classes

December 9-14 Final Exams

The above is a tentative syllabus and class schedule. Your instructor is free to change any part of it as circumstances dictate. Prior to any changes, you will be informed and given a chance to provide input. The syllabus contains several group study dates. Your group should take advantage of these dates to work on the team project. Remember, it is worth 50% of your grade.