

STRATEGIC MANAGEMENT

MGT401 (B80 & U80)
Intersession 1
January 6-10, 2020

SYLLABUS

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Office Hours: By appointment
Office: Jenkins 417-D
Class Schedule: **9:00am-5:00pm**
Classroom: Stubblefield #502

ABOUT THE INSTRUCTOR

Dr. Yadong Luo is the Emery M. Findley Distinguished Chair in Business Studies and Professor of Strategic Management and International Business at the Department of Management, UM. He has authored 17 books, over 150 refereed journal articles, and over 100 other publications. His recent research focuses on strategic management and global strategy. He is the recipient of UM Faculty Senate Distinguished Scholar Award in 2009 (first ever by UM business school faculty), UM Business School teaching excellence awards, and Academy of Management IM Division Educator of the Year (2017) award.

Teaching assistant: Mr. Dennis Wajda (Ph.D candidate) at dxw491@miami.edu.

TEXT (Optional)

1. Dess, McNamara, Eisner & Lee, *Strategic Management*, McGraw-Hill/Irwin, 2018, 9th Edition (ISBN: 9781259278211, 9781308695129, 1308695128). The older editions of this textbook are also acceptable for this class.
2. Lecture notes and mini-cases: Please **download** from the course website before the first class!

COURSE OBJECTIVES

This purpose of this course is to a) understand the strategic responsibilities and skills of the general manager, and b) integrate various functional areas into a 'total business' perspective.

The course has three learning objectives: to introduce the concepts, frameworks, and tools that make up the field of strategic management; to engage students in diagnosing (and identifying realistic solutions to) complex strategic and organizational problems; and to provide practice in formulating and articulating (both verbally and in writing) logical, fact-based arguments in support of action recommendations.

Since the focus is on pragmatic, action-oriented general management skills, the course is taught primarily through the case method with an emphasis on class discussion and constructive debate. Reading assignments provide an overall intellectual framework, supplemented by additional handouts and exercises. More specifically,

I. *This course will explore strategic management issues faced by top executives in both for-profit and not-for-profit organizations. Several live case studies of business organizations and industries will be used throughout the semester. Emphasis of the course material and class discussion will be on critical thinking, solutions to problems and evaluating different options. Specifically, this course seeks to do the following:*

1. Explore students to the process that top executives usually follow in resolving strategic management and related issues faced by the firms;
2. Develop knowledge pertaining to the formulation and implementation of strategies;
3. Provide a practical frame of reference that can be followed in developing short and long term strategies;
4. Sharpen the students' conceptual, analytical, communication, and teamwork skills that are needed in analyzing business situations;
5. Develop and mature students' skills in critical thinking;
6. Provide an opportunity via an eclectic 'capstone' course for the students to integrate knowledge and concepts learnt throughout the curriculum.

II: *By the end of the semester the students should be able to do the following:*

1. Analyze a company's external and internal environment;
2. Identify major strategic issues at the corporate- and business-levels;
3. Formulate various international-level strategies;
4. Propose actionable recommendations for corporate executives;
5. Critically think about live business problems and find appropriate solutions.

COURSE DESIGN

To achieve the above objectives, the course will use a variety of techniques. The class handouts and the textbook will be the primary source of readings on strategic management. The cases will also help highlight important issues faced by organizations and give you an opportunity to sharpen your analytical skills and critical thinking. *It is important that you do your readings, analyze the assigned cases, and be prepared for class discussion.* The case approach is the principal learning tool of this course.

COURSE ASSIGNMENTS

1. Long Case Presentation

Each group, comprising **2-3** members, will work together on one long case project (any company you choose) and present this case by the group's all members on the last day of the class (see Appendix 1). The suggested length of presentation is **40** minutes. In a hardcopy of your power point slides handed over to me before your presentation, please indicate who handles or leads which section(s).

Each group should inform me of your company choice no later than **the third-day class**. Specifically, your case presentation should illustrate the following issues (see Appendix 2 for details):

- (1) Company introduction (brief history, mission/vision/goals, business/products, major markets, distinctions and achievements);
- (2) SWOT analysis: Opportunities and Threats in external environment; Strengths and

- Weaknesses in internal environment;
- (3) Corporate-level strategies (diversification, means of diversification, and company restructuring);
 - (4) Business-level strategies (competitive strategy, four building blocks, and value chain integration);
 - (5) International-level strategies (entry strategies, cooperative strategies, and global integration)
 - (6) Corporate governance (governance mechanisms, compliance and sustainability)
 - (7) Conclusion (summary, lessons, and recommendations)

To search the information needed for your case project, you may use SBA's online library in addition to company website, annual report, and other online or archival sources. You are particularly encouraged to use ABI/global (company articles and beyond), Hoovers (industry and company information), Standard & Poor's NetAdvantage (industry surveys), EIU (country report and government regulations), OECD statistics (national economies), Mergent Online (company profiles including 10-K filing), Nexis Uni (company, industry, and country information), Business Week (Bloomberg), and Yahoo Finance (financials, holders, governance and sustainability), among others.

I will be looking at the following factors in evaluating your long case presentation (for details, see Appendix 3):

- Depth and soundness of the analysis
- Clarity of the analysis
- Creativity of the analysis
- Use of frameworks discussed in the class

It is important to realize that each member of the group is expected to contribute equally in completing the group's assignments. However, *I will reserve the right to alter individual grades based on my own assessment of your actual performance as well as group peer evaluations.* This evaluation (see Appendix 4) is due on the last class.

2. Minicase Presentation

Each group will also present one assigned minicase posted on the courseweb (see Appendix 1 for your presentation schedule, also note these cases are used only for the purpose of our in-class discussions that reinforce our lectures and frameworks presented in the class). Each presentation, taking about **20** minutes, emphasizes the questions I raised in Appendix 1. In addition to these questions, you may want to add company introduction, your recommendation, and other issues you think important or want to update. No write-up is needed but use of visual aid for presentation is required.

3. Individual Assignment

You will select a company from any source (other than those presented in the class) for an ***in-depth study on ONE specific strategy-related issue*** discussed in the class (example topics, but not limited to, include Porter's five forces model, capability analysis, diversification strategy, mergers & acquisitions, strategic alliances, corporate restructuring, competitive strategy, four building blocks, strategic and tactical competitive actions, international entry strategy, corporate governance system, etc.). The suggested length of this report is no less than 6 pages (double-spaced). Please

drop your report in my office or in my department mailbox by **January 17 (noon)**.

4. Class Participation

You should demonstrate your satisfactory participation in this class. This means demonstrating knowledge of the readings, making thoughtful comments, and sharing your wisdom on various issues discussed in the class. **ATTENDANCE IS MANDATORY** (Note: a student who fails to attend **at least 80%** of class sessions **DOES NOT QUALIFY AS HAVING COMPLETED THE COURSE** and will not receive a passing grade). Late arrival and early leave are also not acceptable. I request that you sit in the same general area of the classroom for the entire term.

All students should **avoid disruptive behaviors** (e.g., habitual late arrivals or early departures). This is a **NON-LAPTOP COURSE**. Before entering class, please turn off and put away phones, laptops, PDAs and other devices. **Using these devices is strictly prohibited** (*each time use will cost you one level downgrade, say, from B to B-*).

Academic Integrity: Academic dishonesty in any form will not be tolerated. You must be familiar with and abide by both the University of Miami and School of Business Honor Codes (available from the Office of the Dean of Students). Violations include plagiarism in written work, taking extra time for quizzes, and submitting the same work in more than one course without permission. Violations will result in failing the course and/or referral to the Honor Council for disciplinary action.

COURSE EVALUATION

Your raw score for the course will be based on the following components:

| | |
|------------------------|------------|
| Long case presentation | 35% |
| Minicase presentation | 25% |
| Individual assignment | 25% |
| Class participation | 15% |
| | Total: 100 |

Per SBA's grade band requirement, your final letter grade for this course will be awarded based on your relative performance compared to the peers in the class. In a normal case, the grade curve for the class will be determined as follows (this could be modified depending on the class's unique distribution of actual raw scores):

If top 20% in the class, then A/A+;
If next 20%, then A-;
If middle 20%, then B+;
If lower 20%, then B;
If lowest 20%, then B- or lower.

Good luck!



Please note: This is a 'No Laptop' course!

APPENDIX 1: COURSE SCHEDULE

Day 1 – Morning

Introduction to the course
Introduction to strategic management
Strategic management imperative (Chapter 1)
The central framework of strategic management

Day 1 – Afternoon

External Environment Analysis and Strategic Responses (Chapter 2)
Industry-level
National-level
International-level

Day 2 – Morning

Internal Environment and Capability Analysis (Chapters 3 & 4)
Generic capabilities
a. Technological capability
b. Operational capability
c. Organizational capability
d. Financial capability
Core competencies
Capability exploitation and building

Mini-Case Presentations and Discussions: **Jet Blue Airlines (Group 1)**

Suggested topics for case presentation and discussion:
a. Analyzing the general (national/global) environment
b. Assessing five forces of the industry
c. Identifying opportunities & threats of the industry
d. Jet Blue's capability analysis

Day 2 – Afternoon

Corporate-Level Strategies (Chapter 6)
Why diversification
Level of diversification
Type of diversification
Means of diversification
Mergers and acquisitions strategies
Organizational restructuring

Mini-Case Presentations and Discussions: **Google (Group 2)**

Suggested topics for presentation and discussion:

- a. What type of diversification strategy does the company use?
- b. How or in what ways different business units are interrelated?
- c. What means of diversification the company emphasized? Why?
- d. Elaborating on the process of acquisition
- e. Recommendations?

Day 3 – Morning

Business-Level Strategy (Chapter 5)

- Market analysis
- Competitive advantage
- Competitive strategy
- Four building blocks
- Value chain system

Minicase presentation and discussion: **Wal-Mart Stores Inc. (Group 3)**

Suggested topics for case presentation and discussion:

- a. What competitive strategy does the firm use? Why?
- b. How does the firm achieve competitive advantages via four-building blocks (quality, innovation, efficiency and customer responsiveness)?
- c. Any evidence or efforts about value-chain activities?
- d. Recommendations?

Day 3 – Afternoon

International Entry Strategies (Chapter 7)

- Why go global
- Analyzing country risks
- Country and location selection (where)
- Timing of entry (when)
- Entry mode selection (how)

Minicase presentation and discussion: **Intel in Latin America (Group 4)**

Suggested topics for case presentation and discussion:

- a. Why investing in Latin America
- b. Analyze Intel's country selection criteria and process
- c. Do you think Intel should consider other country choices in LA? Why?
- d. Challenges and your recommendations?

Day 4 – Morning

International Cooperative Strategies (Chapter 7)

1. Why building IJVs but why many fail
2. How to select an appropriate foreign partner?
3. Strategic alliance building and management
4. Strategic alliance commitment and collaboration

5. Strategic alliance control and exit
6. Organizing global businesses (Chapter 7)
 - a. Global integration strategy
 - b. International business structure
 - c. Mechanisms for global integration

Minicase Presentation and Discussion: **Shanghai GM (Group 5)**

Suggested questions for case presentation:

- a. Introducing China's auto industry, including opportunities & threats
- b. Why joint venture with SAIC?
- c. What makes Shanghai GM successful?
- d. How does GM organize its global operations?
- e. Lessons learnt to other Western MNEs?

Day 4 – Afternoon

Corporate governance, CSR, ethics and accountability (Chapter 9)

- Corporate governance system
- Governance and accountability
- Corporate social responsibility
- Ethical codes and behavior

Mini-Case Presentations and Discussions: **Collapse of Enron (Group 6)**

Suggested topics for case presentation and discussion:

- a. Describe top executives' compensation
- b. Describe the firm's lobbying evidence
- c. Describe the firm's accounting illicit behaviors
- d. Why Enron's codes of conduct didn't work? Your recommendations?

Day 5 – Morning

Long Case Presentations – Groups 1-3
Case discussion

Day 5 – Afternoon

Long Case Presentation – Group 4-6
Case discussion and summary
Takeaway lessons and strategic implications from cases
Course Summary: Competitiveness and Globalization

APPENDIX 2: Long Case Presentation Outlines

1. Company introduction

- Company history
- Mission and goals
- Major businesses/core products
- Major markets (including international)
- Corporate distinctions and achievements

2. External and internal environment analysis (SWOT)

- External Environment (Opportunities and Threats)
 - Industrial environment (micro-business environment):
 - Five forces model
 - Life cycle model
 - National and international environment (Macro-business environment)
 - Economic/socio-cultural/political/legal-regulatory/global
 - Summary of opportunities and threats

- Internal Environment (Strengths and Weaknesses)
 - Generic capabilities
 - 1. Financial capability (see "Key Financial Ratios")
 - 2. Organizational capability
 - 3. Technological capability
 - 4. Operational capability
 - Summary of strengths and weaknesses
 - Core competencies

3. Corporate-level strategies

- Level and type of diversification
- Means of diversification
- Organizational restructuring

4. Business-level strategies

- Generic competitive strategy
- Four building blocks
- Value chain integration
- Strategic and tactical competitive actions

5. International-level strategies

- I. International entry strategies (using one foreign country to illustrate)
 - a. Country/location selection (where)
 - b. Timing of entry (when)
 - c. Entry mode selection (how)

- II. International cooperative strategies (using one IJV to illustrate)
 - a. Building an IJV: Partner selection and equity arrangement
 - b. Managing an IJV: IJV management/cooperation and trust-building/ conflict and its resolution/restructuring or termination.
- III. Global integration and operations
 - a. Global integration strategy (e.g., multidomestic, global or hybrid?)
 - b. International business structure (e.g., global matrix, divisional, or regional?)

6. Corporate governance system

1. Ownership concentration
2. Board composition and committees
3. Executive compensation
4. Formulation and implementation of ethic programs, compliance
5. Sustainability (environment, social and governance, or ESG performance)

7. Conclusion

Unique strategies used by the company
General lessons for other companies
Recommendations

APPENDIX 3: LONG CASE PRESENTATION EVALUATION FORM

DATE: GROUP: COMPANY:
PRESENTING GROUP MEMBERS:

RATING

CONTENT:

1. Mission statement and company introduction & Quality, feasibility and relevance of conclusions and recommendations
2. Thoroughness, accuracy and depth of external and internal analysis
3. Identification and elaboration of corporate-level strategies
4. Identification and elaboration of business-level strategies
5. Identification and elaboration of international strategies
6. Identification and elaboration of corporate governance

DELIVERY:

7. Organization of presentation or write-up
8. Professionalism of presentation or write-up
9. Use of visual aid, graphics, or figures
10. Communication or writing skills of team
11. Use of time and handling of questions

OVERALL EVALUATION:

Maximum Point:

Your Point:

APPENDIX 4: Peer Evaluation Form

Please confidentially evaluate the actual contribution of your group's each member (except yourself) to minicase and long-case projects, on a 5-point scale (from 1 very low contribution to 5 very high contribution), and then turn in this evaluation to me in our last class. Thanks.

| Group # _____ | Actual Contribution (5-point scale: from 1 to 5) | |
|---------------|--|------------------------|
| | Mini-case Presentation | Long-case Presentation |
| 1. | | |
| 2. | | |
| 3. | | |
| | | |

APPENDIX 5: Supplementary/Optional Readings on Strategic Management

1. Burgelman, R.A. and McKinney, W. 2006. Managing the strategic dynamics of acquisition integration: Lessons from HP and Compaq. *California Management Review*, 48(3): 6-27.
2. Breene, R.T., Nunes, P.F. and Shill, W.E. 2007. The chief strategy officer. *Harvard Business Review (HBR)*, October, pp. 84-93.
3. Kaplan, R.S. and Norton, D.P. 2007. Using the balanced scorecard as a strategic management system. *HBR*, July-August, pp. 150-161.
4. Isenberg, D.J. 2008. The global entrepreneur. *HBR*, December, pp. 107-111.
5. Pisano, G.P. and Verganti, R. 2008. Which kind of collaboration is right for you? *HBR*, December, pp. 78-86.
6. Mankins, M.C., Harding, D. and Weddigen, R. 2008. How the best divest? *HBR*, October, pp. 92-99.
7. Kotter, J.P. and Schlesinger, L.A. 2008. Choosing strategies for change. *HBR*, July-August, pp. 130-139.
8. Sull, D. 2009. How to thrive in turbulent markets. *HBR*, February, pp: 77-88.
9. Bungay, S. 2011. How to make the most of your company's strategy. *HBR*, January-February, pp. 132-140.
10. Casadesus, R. and Ricart, J. E. 2011. How to design a winning business model. *HBR*, January-February, pp. 101-107.
11. Eyring, M. J., Johnson, M.W. and Nair, H. 2011. New business models in emerging markets. *HBR*, January-February, pp. 89-95.
12. Seligman, M. 2011. Building resilience. *HBR*, April, pp. 101-106.
13. Russwurm, S. 2011. Developing your global know-how. *HBR*, March, pp. 71-75.
14. Bettencourt, LA. and Bettencourt, S.L. 2011. Innovating on the cheap. *HBR*, June, pp. 88-94.
15. Reeves, M. and Deimler, M. 2011. Adaptability: The new competitive advantage. *HBR*, July-August, 135-141.
16. Piskorski, M. 2011. Social strategies that work. *HBR*, November, pp. 117-122.
17. Kanter, R.M. 2011. How great companies think differently. *HBR*, November, pp. 67-78.
18. Spreitzer, G. and Porath, C. 2012. Creating sustainable performance. *HBR*, January-February, pp. 93-99.
19. Bhagat, C., Hirt, M., & Kehoe, C. 2013. Tapping the strategic potential of boards. *McKinsey Quarterly* (1): 91-98.
20. Bingham, C. & Davis, J. 2012. Learning how to grow globally. *MIT Sloan Management Review*, 53(3): 17-18.
21. Birshan, M., Kar, J., & Parry, E. 2012. Becoming more strategic: Three tips for any executive. *McKinsey Quarterly* (3): 60-66.
22. Bradley, C., Dawson, A., & Montard, A. 2013. Mastering the building blocks of strategy. *McKinsey Quarterly* (4): 36-47.
23. Bughin, J., Chui, M., & Manyika, J. 2012. Capturing business value with social technologies. *McKinsey Quarterly* (4): 72-80.
24. Burke, A. & Hussels, S. 2013. How competition strengthens start-ups. *HBR*, 91(3): 24-24.
25. Capozzi, M. M., Kellen, A., & Smit, S. 2012. The perils of best practice: Should you emulate Apple? *McKinsey Quarterly* (4): 8-11.
26. Collis, D. & Carr, C. 2011. Should you have a global strategy? *MIT Sloan Management Review*, 53(1): 21-24.
27. Dewhurst, M., Harris, J., Heywood, S., & Aquila, K. 2012. The global company's challenge.

- McKinsey Quarterly (3): 76-80.
28. Eccles, R. G. & Serafeim, G. 2013. The performance frontier. HBR, 91(5): 50-60.
 29. Ernst, C. & Chrobot-Mason, D. 2011. Flat world, hard boundaries: How to lead across them. MIT Sloan Management Review, 52(3): 81-88.
 30. Guillén, M. F. & García-Canal, E. 2012. Execution as strategy. HBR, 90(10): 103-07.
 31. Johnson, G., Yip, G. S., & Hensmans, M. 2012. Achieving successful strategic transformation. MIT Sloan Management Review, 53(3): 25-32.
 32. Jullens, J. 2013. How emerging giants can take on the world. HBR, 91(12): 121-25.
 33. Lafley, A. G., Martin, R. L., Rivkin, J. W., & Siggelkow, N. 2012. Bringing science to the art of strategy. HBR, 90(9): 56-66.
 34. Markides, C. C. 2012. How disruptive will innovations from emerging markets be? MIT Sloan Management Review, 54(1): 23-25.
 35. McGrath, R. G. 2013. Transient advantage. Harvard Business Review, 91(6): 62-70.
 36. Nohria, N. 2012. Why U.S. competitiveness matters to all of us. HBR, 90(3): 49-51.
 37. Porter, M. E. & Rivkin, J. W. 2012. The looming challenge to U.S. competitiveness. HBR, 90(3): 54-62.
 38. Rehm, W., Uhlaner, R., & West, A. 2012. A clearer-eyed view of M&A. McKinsey Quarterly (2): 10-12.
 39. Rumelt, R. 2011. The perils of bad strategy. McKinsey Quarterly (1): 30-39.
 40. Williamson, P. J. & De Meyer, A. 2012. Ecosystem advantage: How to successfully harness the power of partners. California Management Review, 55(1): 24-46.
 41. Zenger, T. 2013. Strategy: The uniqueness challenge. Harvard Business Review, 91(11): 52-58.
 42. Zirpoli, F. & Becker, M. 2011. What happens when you outsource too much? MIT Sloan Management Review, 52(2): 59-64.
 43. Bremmer, I. 2014. The new rules of globalization. HBR, January-February, 103-107.
 44. Bughin, J., Lund, S. & Manyika, J. 2015. Harnessing the power of shifting global flows. McKinsey Quarterly, February, 2015: 1-15.
 45. Dobbs, R., Manyika, J. & Woetzel, J. 2015. The four global forces breaking all the trends. Book excerpt, McKinsey Global Institute.
 46. Christensen, C., Raynor, M. & McDonald, R. 2015. What is disruptive innovation. HBR, December 2015, 44-53
 47. Fiksel, J., Polyviou, M. Croxton, K. & Pettit, T. 2015. From risk to resilience: Learning to deal with disruption. MIT Sloan Management Review, 56(2): 79-65
 48. Aghina, W., Smet, A. & Weerda, K. 2015. Agility: It rhymes with stability. McKinsey Quarterly, December, 1-12.
 49. Christensen, C., Bartman, T. & Van Bever, D. 2016. The hard truth about business model innovation. MIT Sloan Management Review, 58(1): 31-40.
 50. Kane, G., Palmer, D., Phillips, A., Kiron, D. & Buckley, N. 2016. Aligning the organization for its digital future. MIT Sloan Management Review, Summer, 2016: 3-27.
 51. Martin, R. 2016. M&As: The one thing you need to get right. HBR, June: 43-48.
 52. Furr, N., O'Keefe, K. & Dyer, J. 2016. Managing multiparty innovation. HBR, November: 76-83.
 53. Kramer, M. & Pfitzer, M. 2016. The ecosystem of shared value. HBR, October: 81-89.
 54. Kavadias, S., Ladas, K. & Loch, C. 2016. The transformative business model. HBR, October: 91-98.