

STRATEGIC MANAGEMENT
BSEO 2407 (20850) Fall 2010

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Classes: Tuesday, 6:20-9:00pm

Materials.

Cases (and one of the readings) are available on Harvard Business School's website:

<http://cb.hbsp.harvard.edu/cb/access/6464876>. You will need to download these and pay

for them online. Articles for the course are listed on the Blackboard space and available

free through the University's Business Source Premier. (To search this database, login to

www.library.pitt.edu, select Student Express then Database by title, pick B and you will

see Business Source Premier (via EBASCO) at the bottom of the B list.) There is a

recommended text for this course: Contemporary Strategy Analysis: Concepts, Techniques,

Applications, (Blackwell Publishers, any edition, though 6th and above better), by Robert

M. Grant, but it is not required.

Course Description.

This course is relevant to functional, general, and top managers who are involved in helping

to select and guide an organization's activities. In particular, we explore a variety of

managerial decisions that have critical consequences for a firm's competitive strategy. We'll

use the term competitive strategy as a general label to discuss how firms create competitive

advantage at the business and corporate levels, and how firms profit from their advantage.

The decisions that comprise a firm's competitive strategy cannot be made by applying simple

algorithmic tools. They are complex, and their outcomes are frequently unpredictable and

not all of the forces acting on them can be controlled. Moreover, managers rarely have

complete information to assess their alternatives. Accordingly, key elements of strategic

decision making processes include defining what the salient problems and choices are,

identifying relevant assumptions, and developing systems and perspectives that enable an

organization to adapt as uncertainty is resolved or circumstances change.

The nature of strategic decisions suggests that strategy making ought always to be a continuous learning process. Managers can enhance their capacity to formulate better strategies by employing conceptual tools to organize their thinking. This course will develop your strategic decision making skills by introducing you to a variety of conceptual tools for this purpose:

- *Conceptual frameworks* offer perspectives or ways of thinking about particular phenomena and issues
- *Theories* suggest causal mechanisms that relate actions or phenomena with outcomes consequential to firm performance
- *Typologies* and *analytical frameworks* suggest ways of organizing information and characterizing the strategic implications of certain situations
- *Cases* depict how a specific firm in a particular context sought to address a strategic challenge and provide useful analogies for structurally similar situations

At the conclusion of this course, you should:

- feel confident explaining how and why specific characteristics of industries shape firms' opportunities to employ certain strategies, and describing what firms might do to alter their competitive context;
- find it easier to conduct meaningful industry and company analyses, recognize opportunities to create and exploit distinctive competencies, analyze the merits of alternative strategies and business models, and articulate and defend recommendations for improving a firm's competitive position;
- have developed your own unique approach to strategic thinking.

Assignments and Grading.

Quizzes 80%

We will have 8 quizzes during the semester. The first two will be based only on the text. The last 6 use the case we are discussing on a particular day as a context for applying the concepts. We will walk through what you need to understand for each case in the class prior to the quiz.

Student Team Presentations 20%

Student teams will present the position of a particular stakeholder group as described in the Horizon Wind Energy multimedia case. The case offers us a fascinating opportunity to explore macro and micro forces that influence a firm's ability to create and capture value, by developing and commercializing novel technologies.

Grading Guidelines

The Katz School has adopted the following grading guidelines for all required and elective courses within the various Masters Programs. The median grade for core courses should be about a B+.

<u>Grade</u>	<u>Recommended Distribution</u>
A+, A, A-	30-40%
B+ and B	55-65%
B- and below	5-15%

If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both your instructor and Disability Resources and Services, 216 William Pitt Union (412-648-7890/412-383-7355TTY), as early as possible in the term. DRS will verify your disability and determine reasonable accommodations for this course.

ASSIGNMENTS

Date	Readings & Activities In Class
Aug 31 st	<p><i>What is strategy and how do firms formulate strategies?</i></p> <p>Video in class: Chinese Retail Wars</p> <p>Discuss Video and Homework for next two weeks</p>
Sept 7 th No Class	<p>We will not have class during the Labor Day week, nor the following week due to instructor travel. However, this gives you the advantage of being able to read through the text and work on a case at your leisure.</p> <p>During this week, read the Universal Music Group in 2003 case (available from the HBS case link on the BB space). After reading it once, work your way through the introductory chapters in Grant and then through the chapters on industry analysis and resource and capability analysis. Read through the supplementary readings (all posted for weeks 1-3) to reinforce those chapters from the text.</p>
Sept 14 th No Class	<p>Prepare an outline of your responses to the following questions:</p> <ol style="list-style-type: none"> 1. Conduct a 5 forces analysis of the music industry prior to the internet 2. List the primary changes described in the case that are likely to affect the industry structure 3. How do you expect the internet to alter the 5 forces in the music industry? 4. How should Universal respond to the changes affecting the music industry? List options and then offer a justification for the response you believe they should pursue. <p>I will randomly ask people to present parts of their response so we can create a collective assessment of the strategic challenges, potential</p>

	responses, and better reasons to justify a particular response.
Sept 21 st	<p>Today we will have class, and we will discuss the Universal Case.</p> <p>Following our case discussion, you will work in teams on a set of mini-quizzes covering industry structure and resource and capability analysis</p>
Sept 28 th	<p>Today's class will cover the Grant chapters on Low cost and Differentiation strategies with many mini-case examples. Our format will be part lecture, part work in teams and present your findings.</p> <p>Quiz #1 on business strategy concepts</p>
Oct 5 th	<p>Before class, read Grant chapters on diversification and vertical integration. We'll discuss corporate strategy in class and work on several mini-cases.</p> <p>Quiz #2 on corporate strategy concepts</p>
Oct 12 th - No Class Career Services	
Oct 19 th	<p>Saturn in 1994</p> <p>Read this case and be prepared to discuss whether you think Saturn has a competitive advantage, and if so why. Come to class with specific data from the case to support your argument.</p> <p>Quiz #3 on competitive advantage</p>

Oct 26 th	<p>Saturn in 1998</p> <p>What does GM need to do in order to recoup its investments in Saturn? What obstacles stand in its way? Can it overcome these obstacles? How? We will use this case discussion to lead into a lecture on corporate strategy, growth, and renewal.</p> <p>Quiz #4 on corporate advantage</p>
Nov 2 nd	<p>Horizon Wind Energy</p> <p>We will use this multimedia case as a basis for discussing some of the challenges that can arise in new business development, whether in a start-up business or in a large corporation seeking to diversify into new areas</p>
Nov 9 th	<p>Horizon Wind Energy continued – Student Presentations</p>
Nov 16 th	<p>Zara Fast Fashion</p> <p>This case offers us an intriguing look at a company that competes by fast learning in the market place. We will discuss the opportunities Zara has (and does not have) to expand its successful business strategy geographically and in new product categories and industries.</p> <p>Quiz #5 on global advantage</p>
Nov 23 rd - No Class Thanksgiving	
Nov 30 th	<p>Vertex Portfolio Management</p> <p>Many organizations expand and diversify through innovation that is driven from internal research and development. We will examine how a mid-size biopharmaceutical company positions itself to compete against (or collaborate with) industry giants and an endless stream of biotechn start-ups.</p>

	Quiz #6 on collaborative advantage
Dec 7 th	<p>Strategies in the 21st Century Pharmaceutical Industry</p> <p>We will once again examine an industry under siege and explore the (business and corporate level) strategic alternatives Merck and Pfizer have to respond.</p> <p>Quiz #7 on strategy in industries in transition</p>
Dec 14 th	<p>HP Nanotechn: Partnerships with CNSI</p> <p>This case offers a look at emerging efforts of large companies and small companies - as well as individuals - to connect through open innovation efforts.</p> <p>Quiz #8 on competitive advantage through innovation</p>