

**MANA 5336
STRATEGIC MANAGEMENT
UTA MBA
Fall 2013**



**Days: Tuesdays and Thursdays
Class times: 1900 -2150 hrs**

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COURSE DESCRIPTION

The focus of this strategic management course is on the management of the entire organization. The underlying premise is that successful companies base their organizational strategies on more than gut instinct. The strategic management process entails environmental analysis, assessment of competencies and weaknesses, analysis of competitors and the formulation and implementation of effective strategies that result in competitive advantage. This is a "big picture" course, a trait that makes it a truly different from others you have taken so far. It, therefore, requires you to apply the knowledge you have gained in previous courses in an integrated fashion and also introduces you to the critical business skills of planning and managing strategic activities.

Along with the text material, case studies and the business simulation CAPSTONE will be used to develop analytical and decision-making skills and also highlight the uncertainties in strategic decision making. The course also seeks to develop your capacity to identify issues, to reason carefully about strategic options and improve your ability to manage the organization process by which strategies get formed and executed. It attempts to encourage an integrated, multifunctional, "general management" perspective -- the grand sweep of "strategizing" should make the course fascinating and fun.

POLICIES ETC.

Drop Policy: Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. **Students will not be automatically dropped for non-attendance.** Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (<http://web.uta.edu/ses/fao>).

Americans with Disabilities Act: The University of Texas at Arlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including the *Americans with Disabilities Act (ADA)*. All instructors at UT Arlington are required by law to provide "reasonable accommodations" to students with disabilities, so as not to discriminate on the basis of that disability. Any student requiring an accommodation for this course must provide the instructor with official documentation in the form of a letter certified by the staff in the Office for Students with Disabilities, University Hall 102. Only those students who have officially documented a need for an accommodation will have their request honored. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at www.uta.edu/disability or by calling the Office for Students with Disabilities at (817) 272-3364.

Academic Integrity: All students enrolled in this course are expected to adhere to the UT Arlington Honor Code:

I pledge, on my honor, to uphold UT Arlington's tradition of academic integrity, a tradition that values hard work and honest effort in the pursuit of academic excellence.

I promise that I will submit only work that I personally create or contribute to group collaborations, and I will appropriately reference any work from other sources. I will follow the highest standards of integrity and uphold the spirit of the Honor Code.

POLICIES ETC.

Student Support Services: UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include tutoring, major-based learning centers, developmental education, advising and mentoring, personal counseling, and federally funded programs. For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to resources@uta.edu, or view the information at www.uta.edu/resources.

Electronic Communication: UT Arlington has adopted MavMail as its official means to communicate with students about important deadlines and events, as well as to transact university-related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a MavMail account and are responsible for checking the inbox regularly. There is no additional charge to students for using this account, which remains active even after graduation. Information about activating and using MavMail is available at <http://www.uta.edu/oit/cs/email/mavmail.php>.

Final Review Week: A period of five class days prior to the first day of final examinations in the long sessions shall be designated as Final Review Week. The purpose of this week is to allow students sufficient time to prepare for final examinations. During this week, there shall be no scheduled activities such as required field trips or performances; and no instructor shall assign any themes, research problems or exercises of similar scope that have a completion date during or following this week *unless specified in the class syllabus*. During Final Review Week, an instructor shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. During this week, classes are held as scheduled. In addition, instructors are not required to limit content to topics that have been previously covered; they may introduce new concepts as appropriate.

CASES AND TEXT

Required Cases and Simulation:

- HBS Cases -- available directly from HBS Publishing -- <http://hbsp.harvard.edu/>
- HBR Readings -- can be accessed directly via *Business Source Complete* (UTA Libraries database)
- Capstone Simulation (individual online registration required)

Recommended (but not required) Text:

- Strategic Management: Competitiveness and Globalization, Concepts, 10e, by Hitt, Ireland and Hoskisson

GRADES

Grades will be decided based on the following:

- **First Exam: 20%; Final Exam: 30%**
- **Capstone Simulation: 25% (Capstone performance: 15%; Report /Presentation: 10%)**
- **Case quizzes (2): 10%**
- **Class participation: 10%**
- **ETS Exam: 5%**

Class participation grade will be based both the frequency and the quality of contributions. The latter depends on whether comments made in class (1) are insightful and grounded in case facts; (2) are related to previous comments made and the issues (3) help move the discussion forward in depth or into other issues of importance and value (4) help synthesize issues discussed earlier or in previous classes

Frequency of participation, subject to meeting the quality standard above, is the other important determinant of grade for class participation.

A: 90-100; B: 80-89; C: 70-79; D: 60-69; F: <60

CAPSTONE SIMULATION

Objective

This course requires your participation in Capstone®, a strategic management simulation. It provides you with the opportunity to gain valuable hands-on experience in running a business as a member of a senior management team. The simulation will require you to evaluate situations and make decisions, evaluate outcomes, and compete with other management teams for resources, opportunities, and markets. Each team will have the opportunity to define strategies, and apply strategic concepts and techniques within a practical decision-making framework. In this way, you will have the opportunity to see how a firm's production, marketing, R&D, HR, and financial operations interact, and to observe the impact of key decisions on business performance within a competitive market.

Capstone Simulation Industry ID: C60652 -- you will need this to register for the simulation

Capstone Toll Free #: 1-877-477-8787

Registration: <http://www.capsim.com/studentregapp/index.cfm>

Simulation Deadlines

It is vital that you and your team meet the deadlines. If you fail to upload the decisions by the deadline your prior period decisions will be used.

OTHER ISSUES

- **Please note that the use of cell/smart phones is not permitted in class** (you can use it during the break)
- **Please limit your notebook/tablet usage to the time allocated for the simulation**

DAY 1 (October 17)
INTRODUCTION

Administrative affairs

Topics:

- Evolution of Strategic Management
- Levels of strategy
- Strategic Management Framework
- Strategic Intent
- Stakeholder Analysis
- Corporate Mission Statement
- SCP/IO Model of Strategic Management

Read:

Michael Porter, "What is Strategy?" HBR, Nov/Dec96, Vol. 74 Issue 6, p 61-78

DAY 2 (October 22)
INDUSTRY/ENVIRONMENTAL ANALYSIS

Topics:

- Industry definition
- Strategic Groups and Strategic Group Mapping
- Industry and Strategic Group Attractiveness

Read:

Michael Porter, "The Five Competitive Forces that Shape Strategy" HBR, Jan2008, Vol. 86 Issue 1, p78-93

DAY 3 (October 24)
INDUSTRY/ENVIRONMENTAL ANALYSIS (continued)

Topics:

- Analyzing the General/Macro Environment
- Interrelationships between Macro/General and Competitive Environment

INTRODUCTION: CAPSTONE SIMULATION

Registration for Capstone simulation must be completed by October 23.

Capstone simulation

Individual Rehearsal rounds to be completed by October 28

Day 4 (October 29)
CASE DISCUSSION

PREPARE: Cola Wars Continue: Coke and Pepsi in 2010 [Product #711462-PDF-ENG]

Issues for analysis:

- Why was it that the concentrate producers have been so profitable?
- Compare the profitability of the concentrate industry to the bottling industry -- why is the profitability so different?
- What is happening in the soft drink industry? What are the challenges facing the industry?
- Why was the Pepsi Challenge so successful? How would you evaluate Coke's response?
- What are the competitive challenges facing Coke and Pepsi in 2010?
- What should Coke do? Pepsi?

Capstone Simulation

- Practice Round 1 (In class)

Day 5 (October 31)
INTERNAL ANALYSIS

Topics:

- Resources, Assessing rent earning capacity of resources and capabilities (VRIS framework)
- Core Competencies
- Value Chain, McKinsey Business System
- Optimizing the Value Chain, Outsourcing

Read:

C.K. Prahalad and G. Hamel, "The Core Competence of the Corporation", HBR, May/Jun90, Vol. 68 Issue 3, p79-91.

Capstone Simulation

- Practice Round 2 (In class)

Day 6 (November 5)
COMPETITIVE STRATEGY

Topics:

- Competitive Advantage; Types of Competitive Strategies
- Cost leadership, Value Chain in Cost leadership; Strategic Cost Management

Capstone Simulation

- Business Plan
- Year 1 Decisions -- finalize and upload decisions by 9:30 PM

Day 7 (November 7)
COMPETITIVE STRATEGY (continued)

Topics:

- Analyzing differentiation, Value chain in differentiation analysis
- Best value strategy -- integrated low cost-differentiation strategy

Capstone Simulation

- Year 2 decisions -- finalize and upload decisions by 9:30 PM

Day 8 (November 12)

EXAM 1 (approx 60 minutes)

Capstone Simulation

Year 3 decisions – finalize and upload decisions by 9:30 PM

Day 9 (November 14)

CORPORATE STRATEGY

Topics:

- Managerial Motives underlying Diversification
- Related and Unrelated Diversification
- Reasons for M&As; Value creation in mergers and acquisitions; Strategic and organizational fit
- M&A Process; Process problems in M&As
- Why Strategic Alliances?
- Managing Strategic Alliances

Read:

Bharat Anand, “Strategies of Related Diversification”, HBR

P. Kale, H. Singh, A. P. Raman, “Don't Integrate Your Acquisitions, Partner with Them”, HBR, Dec 2009, Vol. 87 Issue 12, p109-115.

Capstone Simulation

- Year 4 decisions; finalize and upload decisions by 9:30 PM

Day 10 (November 19)

CASE DISCUSSION

CASE: DaimlerChrysler – Gaining Global Competitiveness (A) [IMD130-PDF-ENG] and The DaimlerChrysler Merger (B): Shaping a Transatlantic Company [IMD131-PDF-ENG]

Issues for Analysis:

- Where is the global auto industry going –why is the industry consolidating?
- What is the strategic rationale underlying the merger between Daimler Benz and Chrysler? Why was Daimler Benz interested in the merger? Why was Chrysler interested? Where can value be created?
- Where can value be destroyed in the merger? What is the extent of organizational fit?
- What are the challenges facing DaimlerChrysler as they move ahead with implementing the merger? What are the primary implementation challenges?
- What do you think of the integration approach used by the management at Daimler Chrysler? What were the pros? Cons? What would you have done differently?
- What is the prognosis for DaimlerChrysler? What recommendations do you have for DaimlerChrysler management (as the case ends) – i.e., how can they make the merger work and create (rather than destroy) value?

Capstone Simulation

- Mid-tenure Report: Evaluation of firm performance for Years 1-4 and implications for future strategy
- Year 5 decisions; upload decisions by 9:30 PM

Day 11 (November 21)
INTERNATIONAL STRATEGY

Topics:

- International Export, Multinational and Global Strategies, Pressures for Global Efficiency, Pressures for Local Responsiveness
- Transition to Transnationality and Transnational strategies
- Organization Structures -- International, Worldwide Area, Global Product Division, Matrix and Network structures

Read:

Ghemawat, Pankaj, "Distance Still Matters: The Hard Reality of Global Expansion", HBR, Sep2001, Vol. 79 Issue 8, p137-147.

Capstone Simulation

- Year 6 decisions; upload decisions by 9:30 PM

Day 12 (November 26)

CASE DISCUSSION

PREPARE: Mattel and the Toy Recalls (A & B) [908M10-PDF-ENG, 908M11-PDF-ENG]

Issues for Analysis:

- The toy industry is often characterized as a "difficult" industry from the standpoint of players. What forces make it difficult for industry incumbents to generate significant returns?
- What motivates companies such as Mattel to offshore/outsource their manufacturing? What are the benefits and challenges?
- What are Mattel's core competencies? What contributed to the quality problems faced by Mattel?
- What can Mattel do to enhance product quality?
- How would you characterize Mattel's recall strategy in 2007? What are the consequences of such a recall? How should it be framed?
- What went wrong? Did Mattel make a mistake by laying the entire blame on the Chinese manufacturers for the problem?

Capstone Simulation

- Year 7 decisions in class; upload by 9:30 PM

Day 13 (December 3)

ETS Exam

http://www.ets.org/s/mft/pdf/mft_mba_flyer.pdf

Day 14 (December 5)
CAPSTONE BOARD PRESENTATIONS

Capstone Simulation

- Report: Evaluation of firm performance in Years 1-7 due on December 4.
- “Board” Presentations

Day 15 (December 12)

FINAL EXAMINATION
(Approx 2.5 hours)