

**DEVELOPING STRATEGIES FOR COMPETITIVE ADVANTAGE**

**EMBA 5310 - 001**

**Summer 2016**

Why do some firms perform better than others? What can a firm do to gain a competitive advantage? How do successful companies develop winning strategies? How do entrepreneurs identify, evaluate and exploit opportunities? What are the sources of innovation and how do entrepreneurs in start-up and corporate environments turn ideas into products and take those products to market?

The underlying premise of this course is that successful companies and entrepreneurs base their strategies on more than gut instinct. This course seeks to broaden one's perspective of competitive strategy and encourage development and understanding of how firms, new and old, create and reinforce a competitive advantage in the marketplace. The goal is to provide students with the conceptual tools associated with the understanding of the firm’s external environment, industry and competition, and the assessment of the firm’s core competencies in order to formulate and implement strategies at the business and corporate levels.

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.

We meet the UT Arlington Fort Worth Center in the historic Santa Fe Depot building in room 122. The address is:

1401 Jones St.
Fort Worth, TX 76102

**FACULTY**

**Professor Susanna Khavul:** **skhavul@uta.edu**

**Professor Liliana Pérez-Nordtvedt:** **lnordtvedt@uta.edu**

**MEETING DAYS AND TIMES**

Friday, July 22nd, 1pm-8pm

 Saturday, July 23rd, 8am-5pm

Friday, July 29th, 1pm-8pm

 Saturday, July 30th, 8am-5pm

Friday, August 19th, 1pm-8pm

 Saturday, August 20th, 8am-5pm

**EVALUATION CRITERIA**

**CASE WRITE-UPS: Points Percent**

* JetBlue Write-up Due 7/29 25%
* Nucleon Inc. Write-up Due 7/30 25%
* R&R No write up but prepare for discussion on 8/19
* Iridium Write-up Due 8/20 25%

Cases Total Percent of Grade 75%

**CLASS DISCUSSION** 25 25%

**Total Number of Points:** 100 100%

**Grading:**

A: 90-100

B: 80-89

C: 70-79

D: 69-60

F: Below 60

**CASE WRITE-UPS:** Questions for case write ups are given in this syllabus. Please see the individual sessions. Case write-ups should not exceed 4 pages (1 inch all around margins, Arial 12 point font, double space). They should be well thought out and not trivial. Answers should stick to the facts and analysis. Provide strong reasoning and evidence from the case. All case write-ups are due in class, printed, on the day that they are discussed in class. Cases turned in after class discussion will not be accepted. Please see the individual sessions.

**CLASS DISCUSSION:** It is expected that each individual student read all the assigned materials assigned before meeting in class. This is the only way to have a meaningful discussion.

**IMPORTANT**

The use of cellphones/ smartphones in class is strongly discouraged. Please use the breaks provided between each 2 hour session to check emails, make calls etc. Longer breaks (such as those for lunch/dinner) will provide you with additional opportunities to do the same.

**Course Materials**

To access course materials, go to <https://elearn.uta.edu/> and log on using your UTA username and password.

**Strategic Management: Analysis**

**FRIDAY JULY 22ND, 2016**

Dr. Liliana Pérez-Nordtvedt

**SESSION I (1:00-3:00 P.M.)**

**BUILDING BLOCKS OF THE STRATEGIC MANAGEMENT PROCESS**

**Topics:**

* What is Strategy?
* What is the Strategic Management Process?

**Readings:**

* Hambrick, Donald C. & James W. Fredrickson. 2001.“Are you sure you have a strategy?” *Academy of Management Executive*, 15(4):48 -59.
* Porter, M.E. 1996. “What is Strategy?” *Harvard Business Review*, Nov/Dec, pp. 61-78.

**Issues for analysis:**

* Issues: Establish a solid working definition that will serve as a foundation for the course.

**SESSION II (3:00-5:00 P.M.)**

**ENVIRONMENTAL ANALYSIS - THE EXTERNAL ENVIRONMENT**

**Topics:**

* External Analysis: Opportunities and Threats
* General Environment
* Issues Priority Matrix

**SESSION III (6:00-8:00 P.M.)**

**ENVIRONMENTAL ANALYSIS - THE EXTERNAL ENVIRONMENT**

**Topics:**

* Industry Environment
* Porter’s Five forces of Competition
* Continuation of Opportunities and Threats
* External Factor Analysis Summary

**Readings:**

* Porter, M.E. 1979. “How Competitive Forces Shape Strategy,” *Harvard Business Review*, Mar/Apr, Vol. 57: 137-145.

**Strategic Management: aNALYSIS AND DECISIONS**

**SATURDAY JULY 23rd, 2016**

Dr. Liliana Pérez-Nordtvedt

**SESSION I (8:00 a.m. -10:00 A.M.)**

**ENVIRONMENTAL ANALYSIS - THE INTERNAL ENVIRONMENT**

**Topics:**

* Internal Analysis: Strengths and Weaknesses
* Value Chain Analysis
* Resource Based View
* Internal Factor Analysis Summary

**Readings:**

* Barney, J. B. 1995. Looking inside for competitive advantage. *Academy of Management Executive*. Vol. 9 Issue 4: 49-61.

**SESSION II (10:00 a.m. -12:00 p.m. Noon)**

**GUEST SPEAKER**

**Dr. Rick Nordtvedt**

**Senior Executive Partner**

**Gartner, Inc.**

**SESSION III (1:00-3:00 PM) AND SESSION IV (3:00-5:00 PM)**

**DECISIONS - STRATEGY FORMULATION AND BUSINESS LEVEL STRATEGIES**

In these two sessions, we will first examine how SWOT analysis feeds into the strategic decision making process. We will then talk about the different elements of strategy by revisiting Hambrick and Fredrickson (2001) with particular attention to “Vehicles.” Then, we will study the different generic business strategies that firms can pursue in their quest for competitive advantage. Following, we will discuss in greater detail the generic strategies of cost-leadership and differentiation.

**Topics:**

* Situational analysis and Strategic Factor Analysis Summary. TOWS matrix. SWOT Analysis.
* Elements of Strategy: Vehicles
* Business level generic strategies
* Cost leadership strategy
* Differentiation strategy
* Focus strategies
* Combination strategy

**Reading:**

* Hambrick, Donald C. & James W. Fredrickson. 2001. “Are you sure you have a strategy?” *Academy of Management Executive*, 15(4):48 -59.
* Heracleous, L., & Wirtz, J. Singapore Airlines' Balancing Act. *Harvard Business Review.* Jul/Aug2010, Vol. 88 Issue 7/8: 145-149.

**Strategic Management: DECISIONS**

**FRIDAY JULY 29th, 2016**

Dr. Liliana Pérez-Nordtvedt

**SESSION I (1:00-3:00 P.M.)**

**CASE STUDY**

**Case Study:**

* JetBlue: Managing Growth by Robert S. Huckman and Gary P. Pisano. Harvard Business School Case 609-046

**Issues for Analysis and write-up:** Please prepare a case analysis that answers the following questions:

* Does Jet Blue have a Business-Level Strategy? What do you consider it to be and why?
* What is your assessment of the E190 decision? Is this consistent with the business level strategy of JetBlue? Why yes/why not?
* What recommendations would you make to JetBlue on how to allocate their aircraft purchases between the E190 and the A320? Defend your recommendations.

**SESSION II (3:00-5:00 P.M.)**

**DECISIONS - CORPORATE LEVEL STRATEGY I:**

**ISSUES, STABILITY, RETRENCHMENT, AND HORIZONTAL GROWTH**

Corporate strategies examine three different but interrelated issues: the position that the firm takes with regards to growth, stability and retrenchment, the management of multiple units competing in diverse industries, and the allocation of resources to those units in an effort to increase the overall value of the corporation. In this session, we will talk about corporate level strategy and these three issues. We will then examine retrenchment and stability strategies. We will then start the discussion about growth strategies by examining horizontal integration strategies.

**Topics:**

* Where does corporate level strategy fit in Hambrick and Fredrickson’s model?
* The parenting issue, the directional issue and the portfolio issue
* Stability strategies
* Retrenchment strategies
* Growth strategies: horizontal growth

**SESSION III (6:00-8:00 P.M.)**

**DECISIONS - CORPORATE LEVEL STRATEGY II:**

**VERTICAL INTEGRATION AND DIVERSIFICATION**

In this session, we will continue our discussion on corporate level strategy. We will discuss the two last growth strategies. First, we will examine vertical integration as a special kind of diversification strategy and the conditions under which vertical integration may create value for the firm. In addition, we will learn about diversification and the synergies through which this strategy can create value.

**Topics:**

* Growth Strategies continued
* The value of vertical Integration
* When vertical Integration makes sense
* Diversification strategy
* Synergies of Related and unrelated diversification strategies

**Strategic Management: DECISIONS and actions**

**SATURDAY JULY 30th, 2016**

Dr. Liliana Pérez-Nordtvedt

**SESSION I (8:00-10:00 a.m.)**

**CASE STUDY**

**Case Study:**

* Nucleon, Inc. by Gary P. Pisano. Harvard Business School Case 692-041

**Issues for Analysis and write-up:** Please prepare a case analysis that answers the following questions:

* Pretend you are Robert/Roberta Moore. You have evaluated all the options for Phases I/II/III thoroughly and you have come up with a recommendation to give to Jeff. Please write your recommendation to Jeff and the compelling reasons that drove you to select this option as the best one for Nucleon, Inc.
* While Jeff Hurst, your boss, has been considering these options for Nucleon’s future, you can’t help but feel that Nucleon has other options available to it. Of course, you just finished your EMBA program and your last class was on Strategic Management. In that class, you learned about a number of corporate level strategies available to firms. You have been a bit hesitant to tell Jeff about them, especially because vertical integration is what Jeff favors, but now that your employment and the future of Nucleon is at stake, you feel you have to tell Jeff about other options that have perhaps slipped his mind. Please provide 2 such options. In doing so, make sure you provide the pros and cons associated with each one of them.

**SESSION II (10:00-12:00 Noon)**

**CASE STUDY**

**Movie:**

* Barbarians at the Gate

**Issues for Analysis:**

* If you had been the CEO of RJR Nabisco, what would you have done?
* What other alternatives did Ross Johnson have?
* Did the Board of Directors protect the interest of shareholders? Why?

**SATURDAY JULY 30th, 2016 (CONTINUATION)**

**SESSION III (1:00-3:00)**

**DECISIONS - CORPORATE LEVEL STRATEGY III:**

**STRATEGIC ALLIANCES, MERGERS AND ACQUISITIONS (M&As)**

Strategic alliances and M&As represent important vehicles available to firms pursuing growth strategies. However, they do not necessarily create value for firms pursuing them. The purpose this session is to highlight the conditions under which strategic alliances and M&As strategies will, and will not, be a source of value for firms.

**Topics:**

* Where do strategic alliances and M&As strategy fit in Hambrick and Fredrickson’s model?
* Types of strategic alliances
* Why strategic alliances? Motives underlying strategic alliances
* Pitfalls in Strategic Alliances
* Mergers and Acquisitions
* Benefits and limits of M&As
* When do M&As create value? When do they not create value?
* Making acquisitions work

**Optional Reading:**

* Kanter, R. M. 2009. Mergers That Stick. Harvard Business Review, 87(10): 121-125.

**SESSION IV (3:00-5:00)**

**GUEST SPEAKER**

**Mr. James Sellers**

**President**

**Sellmark Corporation**

**WRAP-UP**

**COMPETING THROUGH ENTREPRENEURSHIP AND INNOVATION**

**FRIDAY AUGUST 19th, 2016**

Dr. Susanna Khavul

**SESSION I (1:00-3:00 P.M.)**

**ENTREPRENEURS AND ENTREPENEURIAL OPPORTUNITIES**

**Introduction and introductions**

**Case Study:**

* R&R (Harvard Case)

**Issues for Analysis:**

**Issues for analysis:** [Bob Reiss](http://www.hbs.edu/entrepreneurs/bobreissbio.html) clearly made a success of R&R. Please prepare a case analysis that answers the following questions about Bob Reiss and his experience with R&R.

1. How did Bob Reiss do it? Is his success reproducible?

2. How much money did Bob Reiss in the R&R venture?

3. Should he attempt to start the venture he is considering at the end of the case? Make a solid argument in favor or against it. No sitting on the fence.

**SESSION II (3:00-5:00 P.M.)**

**Topics:**

* What is entrepreneurship?
* Who are entrepreneurs?
* How do entrepreneurs identify and evaluate opportunities?

**SESSION III (5:30-8:00 P.M.)**

**LIVE CASE STUDY**

**COMPETING THROUGH ENTREPRENEURSHIP AND INNOVATION**

**SATURDAY AUGUST 20th, 2016**

Dr. Susanna Khavul

**SESSION I (8:00-10:00)**

**BUILDING AND SCALING ENTREPRENEURIAL VENTURES**

**Case:**

* The Rise and Fall of IRIDIUM (Harvard case)

**Issues for analysis and write-up:** Please prepare a case analysis that answers the following questions:

* Who is to blame for IRIDIUM’s failure? At what point could you have known that IRIDIUM would fail?
* What is your evaluation of IRIDIUM’s system design? What impact did the choices that were made have on subsequent evolution of the venture?
* What is your evaluation of IRIDIUM’s organizational design? What changes would you have made to increase the probability of a successful outcome?

**SESSION II (10:00-12:00)**

**Topics:**

* Opportunity assessment
* Customer focused entry and scaling
* Technology cycles and choices in a changing environment

**Readings:**

* Eisenmann T., Reis, E., Dillard, S. “Hypothesis driven entrepreneurship: The lean start-up” (HBSP Note)

**SESSION III (1:00-3:00)**

**HARNESSING CREATIVITY AND INNOVATION**

**Topic:**

* Ideas, inventions, and innovations
* Creativity in organizations
* Entrepreneurial and Organizational networks
* Building Teams and Networks

**Reading:**

* Colin M. Fisher, Teresa M. Amabile, “Creativity, Improvisation and Organizations”
* Ed Catmull, “How Pixar Fosters Collective Creativity”

**SESSION II (3:00-5:00 P.M.):**

**LIVE CASE STUDY**

**WRAP-UP**