

**MANA 5336
STRATEGIC MANAGEMENT
Fall 2017**

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Office Hours: 3:30- 5:00 PM Tu and by appointment

Section Information: MANA 5336 Strategic Management

Time and Place of Class Meetings: COB 138; Tu 7:00-9:50 PM

Description of Course Content: 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.

Student Learning Outcomes: By the end of the semester you should be able to (1) identify and articulate the challenges faced by managers as they seek to formulate and implement strategy, (2) understand the implications of cultural, political, economic and legal environment from the perspective of firms in the formulation of strategy and the corporate and business level (3) understand the nature of competition in international markets, and (4) distinguish between alternative strategies used by firms to gain competitive advantage

Textbooks and Other Course Materials:

1. Strategic Management: Competitiveness and Globalization, Concepts, 12e, by Hitt, Ireland and Hoskisson (Suggested; not required)
2. Please buy the case package from HBS Publishing
3. Capstone Simulation (individual online registration required) Industry No: **C91635** (you need this to register)

Descriptions of major assignments and examinations:

Two (2) Examinations, Capstone simulations (weekly assignments and final report/presentation; Case preparation

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.

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.

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

Attendance etc.: Class participation will be judged based on the *quality* and *frequency* of your contributions to class discussions (especially, in the context of case discussions). **Attendance is expected and required** – absences will obviously have a significant negative impact on your class participation grade.

Phones and laptops: All phones must be shut off and put away for the duration of the class. Please limit your laptop/notebook/tablet usage to the time allocated for the simulation

Grading:

- **First Exam: 20%; Final (including Case Analysis): 40%**
- **Capstone Simulation: 25% (Capstone performance: 15%; Report/Presentation: 10%)** – please remember that peer evaluations are used in determining your grade
- **Class participation: 15%**

Class participation grade will be based both the frequency and the quality of contributions (particularly case discussions). 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

Grades (based on your cumulative score for the semester) will be determined as follows:

A=90-100; B=80-89; C=70-79; D=60-69; F= less than 60

Make-up Exams:

There will be no make-up exams. Also, no “extra credit” assignments are available.

Expectations for Out-of-Class Study: Beyond the time required to attend each class meeting, students enrolled in this course should expect to spend at least an additional 6-9 hours per week of their own time in course-related activities, including reading required materials, preparing for case discussions, capstone simulation, preparing for exams, 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/aao/fao/>).

Disability Accommodations: UT 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)*, *The Americans with Disabilities Amendments Act (ADAAA)*, and *Section 504 of the Rehabilitation Act*. 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 disability. Students are responsible for providing the instructor with official notification in the form of a **letter certified** by the Office for Students with Disabilities (OSD). Only those students who have officially documented a need for an accommodation will have their request honored. Students experiencing a range of conditions (Physical, Learning, Chronic Health, Mental Health, and Sensory) that may cause diminished academic performance or other barriers to learning may seek services and/or accommodations by contacting:

The Office for Students with Disabilities, (OSD) www.uta.edu/disability or calling 817-272-3364. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at www.uta.edu/disability.

Counseling and Psychological Services, (CAPS) www.uta.edu/caps/ or calling 817-272-3671 is also available to all students to help increase their understanding of personal issues, address mental and behavioral health problems and make positive changes in their lives.

Non-Discrimination Policy: *The University of Texas at Arlington does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disabilities, genetic information, and/or veteran status in its educational programs or activities it operates. For more information, visit uta.edu/eos.*

Title IX Policy: The University of Texas at Arlington (“University”) is committed to maintaining a learning and working environment that is free from discrimination based on sex in accordance with Title IX of the Higher Education Amendments of 1972 (Title IX), which prohibits discrimination on the basis of sex in educational programs or activities; Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits sex discrimination in employment; and the Campus Sexual Violence Elimination Act (SaVE Act). Sexual misconduct is a form of sex discrimination and will not be tolerated. *For information regarding Title IX, visit www.uta.edu/titleIX or contact Ms. Jean Hood, Vice President and Title IX Coordinator at (817) 272-7091 or jmhood@uta.edu.*

Academic Integrity: Students enrolled all UT Arlington courses 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.

UT Arlington faculty members may employ the Honor Code in their courses by having students acknowledge the honor code as part of an examination or requiring students to incorporate the honor code into any work submitted. Per UT System *Regents’ Rule* 50101, §2.2, suspected violations of university’s standards for academic integrity (including the Honor Code) will be referred to the Office of Student Conduct. Violators will be disciplined in accordance with University policy, which may result in the student’s suspension or expulsion from the University. Additional information is available at <https://www.uta.edu/conduct/>.

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>.

Campus Carry: Effective August 1, 2016, the Campus Carry law (Senate Bill 11) allows those licensed individuals to carry a concealed handgun in buildings on public university campuses, except in locations

the University establishes as prohibited. Under the new law, openly carrying handguns is not allowed on college campuses. For more information, visit <http://www.uta.edu/news/info/campus-carry/>

Student Feedback Survey: At the end of each term, students enrolled in face-to-face and online classes categorized as “lecture,” “seminar,” or “laboratory” are directed to complete an online Student Feedback Survey (SFS). Instructions on how to access the SFS for this course will be sent directly to each student through MavMail approximately 10 days before the end of the term. Each student’s feedback via the SFS database is aggregated with that of other students enrolled in the course. Students’ anonymity will be protected to the extent that the law allows. UT Arlington’s effort to solicit, gather, tabulate, and publish student feedback is required by state law and aggregate results are posted online. Data from SFS is also used for faculty and program evaluations. For more information, visit <http://www.uta.edu/sfs>.

Final Review Week: for semester-long courses, 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.

Emergency Exit Procedures: Should we experience an emergency event that requires us to vacate the building, students should exit the room and move toward the nearest exit. When exiting the building during an emergency, one should never take an elevator but should use the stairwells. Faculty members and instructional staff will assist students in selecting the safest route for evacuation and will make arrangements to assist individuals with disabilities.

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 <http://www.uta.edu/universitycollege/resources/index.php>.

COURSE SCHEDULE

WEEK 1 (Aug 29)

INTRODUCTION

Topics:

- Evolution of Strategic Management
- Levels of strategy
- Strategic Management Framework
- SCP/IO Model of Strategic Management

Read:

Chapter 1: Strategic Management and Strategic Competitiveness (page 7-28)

WEEK 2 (Sept 5)

INDUSTRY ANALYSIS

Topics:

- Strategic Management Process
- Strategic Groups and Strategic Group Mapping
- Industry and Strategic Group Attractiveness

Read:

Chapter 2: The External Environment (pages 55-64)

Capstone simulation - discussion

Individual registration for Capstone simulation must be completed by Sept 4. The industry no is **C91635** (you need this to register)

WEEK 3 (Sept 12)

MACRO-ENVIRONMENTAL ANALYSIS

Topics:

- Analyzing the General/Macro/International Environment

Read:

Chapter 2: The External Environment (pages 45-54)

Capstone simulation

Introduction to the simulation

WEEK 4 (Sept 19)

CASE DISCUSSION

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

Issues for analysis:

- What contributed to the rapid growth experienced by the soft drink industry in the 1970s and 80s?
- Why have 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 -- upload by 9:15 PM

WEEK 5 (Sept 26)

INTERNAL ANALYSIS

Topics:

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

Read:

Chapter 3: The Internal Organization (pages 79-97)

Capstone Simulation

- Practice Round 2 -- upload by 9:15 PM

WEEK 6 (Oct 3)

COMPETITIVE STRATEGY

Topics:

- Competitive Advantage; Types of Competitive Strategies
- Cost leadership, Value Chain in Cost leadership; Strategic Cost Management
- Analyzing differentiation, Value chain in differentiation analysis
- Best value strategy -- integrated low cost-differentiation strategy

Read:

Chapter 4: Business Level Strategy (pages 112-130)

Capstone Simulation

- Business Plan
- Year 1 decisions -- upload by 9:15 PM

WEEK 7 (Oct 10)

CASE DISCUSSION

PREPARE: Trader Joe's [Product #9-714-419]

Issues for analysis:

- Is the strategic group where Trader Joe's is positioned more attractive than the strategic group with the traditional players (e.g., Kroger, Safeway) in the supermarket industry? Why? Why not?
- What macroenvironmental forces will influence the attractiveness of the Trader Joe's strategic group in the future (e.g., in the five year period following the case)? What will be the nature of such influence?
- What are the organizational sources of Trader Joe's competitive advantage?
- What are the threats to the sustainability of Trader Joe's competitive advantage?
- What does Trader Joe's need to do to prevent the erosion of its competitive advantage?

Capstone Simulation

- Year 2 decisions – upload by 9:15 PM

WEEK 8 (Oct 17)

FIRST EXAM (approx 60 minutes)

CORPORATE STRATEGY

Topics:

- Managerial Motives underlying Diversification
- Related and Unrelated Diversification
- Vertical Integration

Read:

Chapter 6: Corporate-level Strategy (pages 175-194)

Capstone Simulation

- Year 3 decisions – upload by 9:15 PM

WEEK 9 (Oct 24)

MERGERS AND ACQUISITIONS

Topics:

- Objectives underlying M&As
- Value creation in mergers and acquisitions; Strategic and organizational fit
- M&A Process; Process problems in M&As
- Managing M&As

Read:

Chapter 7: Merger and Acquisition Strategies (pages 206-223)

Capstone Simulation

- Year 4 decisions – upload by 7:00 PM

WEEK 10 (Oct 31)

THE STRATEGY OF INTERNATIONAL BUSINESS

Topics:

- Motivation for International diversification
- Firm Value Chain, Core Competencies, Leveraging knowledge and skills
- Routes to Competitive Advantage, Location and Coordination issues
- Four types of distances
- Evolution of Strategy in the International context

Capstone Simulation

- Year 5 decisions – upload by 7:00 PM

WEEK 11 (Nov 7)

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

- Year 6 decisions – upload by 7:00 PM

WEEK 12 (Nov 14)

THE STRATEGY OF INTERNATIONAL BUSINESS (continued)

Topics:

- International Strategy
- Multinational Strategy
 - Advantages and Disadvantages
- Global Standardization Strategy
 - Advantages and Disadvantages
- Transnational Strategy
 - Balancing Global Efficiency, Local Responsiveness and Organizational Learning

Readings:

Chapter 12: The Strategy of International Business (p. 237-242)

Capstone Simulation

- Year 7 decisions – upload by 7:00 PM

WEEK 13 (Nov 21)

CASE DISCUSSION

Mattel and the Toy Recalls (A & B)

(908M10-PDF-ENG & 908M11-PDF-ENG)

Questions:

- What motivates companies such as Mattel to offshore/outsource their manufacturing? What are the benefits and challenges associated with outsourcing?
- 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?
- What went wrong? Did Mattel make a mistake by laying the entire blame on the Chinese manufacturers for the problem?

Capstone Simulation

- Year 8 decisions – upload by 7:00 PM

WEEK 14 (Nov 28)

TBA

WEEK 15 (Dec 5)

CAPSTONE REPORTS DUE: DEC 2
CAPSTONE PROJECT PRESENTATIONS

WEEK 16 (Dec 12)

FINAL EXAM
8:15-10:45 PM