

MANAGEMENT 4322
Organizational Strategy

| | |
|--|------------------------------|
| Spring 2011 | Tuesdays and Thursdays |
| Professor: M. Ann McFadyen | |
| Office: COBA 227 | |
| Phone: 817.272.0214 | |
| e-mail: mcfadyen@uta.edu | Office Hours: By Appointment |

I. PREREQUISITES

Students enrolled in Management 4322 must have senior classification in the College of Business Administration and must have completed ACCT 2301 and ACCT 2302 and (ECON 2305 or ECON 2302) and (ECON 2306 or ECON 2301) and (MANA 3311 or MANA 3318 or MANA 3319 or MANA 3321) and (STAT 3321 or BUSA 3321 or STAT 3322 or BUSA 3322) and FINA 3313. All prerequisites are required (no exceptions). You are encouraged to drop the class if you have not already completed these requirements. To be successful in this class, you should be of senior standing. If you are not in your last or next to last semester before you graduate, I encourage you to drop the course and re-enroll at a later date.

II. MATERIALS

Required readings:

Dess, GG, Lumpkin, GT, Eisner, A. 2008. *Strategic Management: Creating Competitive Advantage* (4th ed.). McGraw-Hill Irwin, ISBN-13 9780073381213

Readings – available through UTA Library Electronic Journals, electronic reserves and handouts provided in class

Wall Street Journal (reduced rate subscriptions are available)

Foundation® Business Simulation (on line registration). Go to www.capsim.com and register to Foundation simulation - F39143, F39144. Make sure you also register for CompXM.

III. STUDENT LEARNING OBJECTIVES

Organizational Strategy serves as a practice-oriented capstone course. The course is intended to provide the opportunity for you to integrate the concepts, knowledge and skills that you have acquired in each of the various functional areas. At the end of the semester you should be able to identify and analyze significant problem facing an organization, conduct a well-supported SWOT analysis to address the problem. Organizational Strategy takes the perspective of the chief executive officer or general manager and will explore firm performance differences. This course involves substantial reading, writing, speaking and critical thinking.

A case study problem solving approach is taken to increase your understanding of the issues and challenges that most organizations face. It is designed for interactive participative learning. Please be prepared to participate and contribute to all class discussions.

ACHIEVING THE OBJECTIVES AND LEARNING OUTCOMES

The student will be required to complete six activities in order to achieve the identified objectives and learning outcomes:

1. Class participation (see below)
2. Complete a midterm exam.
3. Students will work in groups to perform Foundation®, a simulation exercise. In addition, the simulation will involve the company performance, and shareholder meeting and annual report.
4. Complete Comp-XM® exam.
5. Prepare an “Executive Summary” of your company’s performance during the Comp-XM® exercise.
6. Complete an individual case analysis.

IV. COURSE DESCRIPTION

Organizational Strategy addresses how firms use their resources to pursue goals and adapt to the environment. Resources may be technological or managerial know-how, employees, capital, etc. Elements of the environment are competition, customers, economic, political, or sociological conditions, global and domestic markets, etc. The CEO and top management team set the objectives of the firm together with its stakeholders, and formulate and implement strategies to achieve competitive advantages. Organizational Strategy is about setting priorities for the firm and then charting a course to achieve those priorities. Consequently, this class is integrative in nature, using the skills developed in other courses such as accounting, marketing, finance, and information systems.

Three major approaches will be used in this course:

1. Readings, group work, discussion and lecture
2. Analysis of case studies
3. A group project that analyzes a strategic issue

V. GRADING

Grades for the course will be computed as follows:

| <i>Assignment or Event</i> | <i>Weight</i> |
|---|---------------|
| A. Simulation | |
| Company Performance | 2.5 |
| Shareholder's Meeting and Annual Report | 2.5 |
| B. Comp XM | 2.5 |
| C. AOL – Test | 2.5 |
| D. Participation | 10 |
| E. Mid Term Examination | 40 |
| F. Individual Project | 40 |
| Total Points Possible | 100 |

Letter grades will be assigned in the following manner:

- A:** 1000 to 900 points
- B:** 899 to 800
- C:** 799 to 700 points
- D:** 699 to 600 points
- F:** Below 600 points

DESCRIPTION OF ASSIGNMENTS OR EVENTS

A. GROUP SIMULATION PROJECT

Please form six groups and turn in your group member list to me by January 27, 2011.

Students will work in groups to perform Foundation®, a simulation exercise. Each group will have responsibility for one company. Students will craft corporate- business-, and functional-level strategies. In addition, the simulation will involve the following.

Company Performance. The company performance grade will be assigned on a group basis.

Annual Meeting. At the end of the course, your group will present an overview of your results to the rest of the class (i.e., the corporate shareholders). In addition, your group should explain why your corporation achieved the level of success that it did. The group will also be required to submit an “*Annual Report*” at this meeting.

Complete Comp-XM® exam. Each student manages a simulated business over the course of five periods. After each simulated year, the student takes a short exam with questions and answers tailored to their situation.

Complete the AOL Test. Please refer to textbook for additional information.

Additional information about the project will be discussed in class. All projects will be searched online for any evidence of purchased papers or plagiarism. Purchasing, copying, allowing others to do your work, plagiarism, etc. are all violations of academic integrity.

B. MID TERM EXAMINATION

There will be one midterm exam – three essay questions. Make-up examinations, which are only given for University excused absences, will be given within a week of the original examination date, and will also be essay format. It is your responsibility to arrange a time for the make-up exam and to insure that an agreed upon time and date falls within the week of the original exam date.

C. INDIVIDUAL CASE

Each individual is asked to bring in an announcement of a **recent** strategic decision. A decision may include: a merger or acquisition, a downsizing announcement, a joint venture or strategic alliance, or a new top management team/CEO. These changes must have taken place after October 2010. A one-page description of the strategic decision that you have selected is due at the beginning of class January 27, 2011. Please provide a copy of the announcement of the decision as well as your one-page write-up. I will not accept duplicate announcements.

Each student will provide a written analysis of a case and make a formal presentation to the class. Cases are to analyzed using material covered in class this semester and on courses covered prior to this course. An adequate case analysis is expected to be between 12 and 15 single spaced (12 point Time New Roman font) pages, **not including** the cover page, table of contents, figures, graphs, references, charts or other supplemental material. Please include a description of the industry in which the firm competes and a description of the firm’s internal resources, competencies, and strategies that have resulted in its present competitive position and performance level within the industry.

A cases analysis outline is included at the end of this syllabus.

Additional information about the project will be discussed in class.

The written report should provide a clear analysis and evaluation of the strategic decision. Reports will be evaluated based on content and written presentation. Grammar, spelling, etc. will be evaluated. Please assess whether this decision was appropriate and what strategic implications this decision will have. Each group will be expected to present an overview of the decision, the group's analysis and evaluation to class. Please focus on the analysis and evaluation. Presentations are limited to 15 minutes (including questions). Be precise and to the point as this is a business report, not an essay or book report. I will accept a draft of the case analysis up until April 1st and will provide feedback on your progress. I recommend that you begin work on the case as soon as possible.

All projects will be searched online for any evidence of purchased papers or plagiarism. Purchasing, copying, allowing others to do your work, plagiarism, etc. are all violations of academic integrity.

D. PARTICIPATION

Your participation grade is a critical element of this class, comprising 10 percent of your overall grade. You owe yourself and your fellow students your *presence* in the classroom, your *preparation* of the required material, and your *participation* in a timely manner. It is your responsibility to have read in advance the materials that will be covered during lecture. Please come to class prepared. You should ask yourself why each reading has been assigned and how it fits into the overall course. Preparation and participation is expected and monitored. Simply attending class does not garner participation points.

Participation will be assessed in two manners. First, you are required to participate in classroom discussions. Do not be afraid to ask questions in class, but do not waste class time by not being prepared. Anyone having a problem with speaking in front of the class should notify me immediately. Second, I will periodically ask you to turn in written assignments. These too will go towards your participation score.

Participation is graded on both the *quantity* and the *quality* of the contribution to the discussion and constitutes half of your participation grade. Additionally, attendance is mandatory for any guest speaker with university excused absences being the only exception. Please note and remember attendance does not in any way equal participation. You have to attend to participate; however, by attending you do not garner participation points.

VI. OTHER INFORMATION

ACADEMIC INTEGRITY VIOLATIONS

Simply put, scholastic dishonesty will not be tolerated in this course. All work in this course is to be an individual effort. If I suspect that you have been assisted by another to complete your work required for this course or if I suspect that you have aided another to complete his/her work in this course, I will write up the suspected violations and turn the incident directly over to the Office of Student Conduct. *Any and all violations* of academic integrity will be prosecuted. You will receive a 0 on the work in question, an F in the course and recommended to take a class on ethics. Depending on the severity, I may also recommend dismissal from the university. Information on what constitutes scholastic dishonesty and how the university addresses it may be found at <http://www.uta.edu/studentaffairs/judicialaffairs/academicintegrity.html>.

LATE PENALTY

Late assignments will not be accepted for credit.

ATTENDANCE POLICY

This course depends on not only attendance but also participation from all students for every class. As a member of this classroom you are obligated to complete all assigned work promptly, to attend class regularly, and to participate in whatever class discussion may occur. Absence from more than 10 percent of the scheduled class sessions, whether *excused or unexcused*, is considered excessive and a grade penalty will be assessed for such absence. ***It must be emphasized that the "10 percent rule" stated above applies to both excused and unexcused absences.*** This course is scheduled to meet 28 times during Spring 2011, with the following penalties for absences:

2 absences → 10 percent reduction in final grade

3 absences → 20 percent reduction in final grade

4 absences → 30 percent reduction in final grade

5 or more absences → student fails the course

AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact Disability Services for Students at 817-272-3364 or visit the website: <http://www.uta.edu/disability/links.php>. No accommodations will be provided to students unless they are registered with the Disability Services for Students.

SPRING 2011 SYLLABUS*

| WEEK | DATE | TOPIC | ASSIGNMENT |
|--------|-------|--|-----------------------------|
| Week 1 | 01/18 | <p>Introduction</p> <p>What is strategy, what strategy is not.</p> <p>Henderson, B.D. 1989. The Origin of Strategy, HBR, Nov/Dec 67(6), pp. 139-143.</p> <p>Porter, M.E. 1996. What is Strategy?, HBR, Nov/Dec 74(6), pp. 61-78.</p> <p>Campbell, A. & M. Alexander 1997. What's Wrong with Strategy, HBR, Nov/Dec 75(6), pp. 42-51.</p> | |
| | 1/20 | <p>WSJ Presentation</p> <p>Matthew Newman</p> <p>Mandatory Attendance</p> | |
| Week 2 | 01/25 | <p>Introduction</p> <p>What is strategy, what strategy is not.</p> <p>Henderson, B.D. 1989. The Origin of Strategy, HBR, Nov/Dec 67(6), pp. 139-143.</p> <p>Porter, M.E. 1996. What is Strategy?, HBR, Nov/Dec 74(6), pp. 61-78.</p> <p>Campbell, A. & M. Alexander 1997. What's Wrong with Strategy, HBR, Nov/Dec 75(6), pp. 42-51.</p> | Last day to form teams |
| | | <p>Library Presentation</p> <p>Carol Byrne</p> <p>Mandatory Attendance</p> | |
| Week 3 | 02/01 | <p>Introduction</p> <p>Chapter 1 Strategic Management: Creating Competitive Advantages</p> | Simulation Practice Round 1 |

-
- *All exam dates are firm
 - *Guest speakers TBD

| WEEK | DATE | TOPIC | ASSIGNMENT |
|-------------|-------------|---|--------------------------------|
| | | Introduction Chapter 13 Analyzing Strategic Management Cases | Simulation Practice Round 2 |
| Week 4 | 02/08 | External Environment-General Environment Chapter 2 Analyzing the External Environment of the Firm | Simulation Practice Round 3 |
| | | External Environment-Industry Environment | |
| Week 5 | 02/15 | External Environment Case – <i>TBD</i> | Round 1 |
| | | Internal Environment Chapter 3 Assessing the Internal Environment of the Firm | |
| Week 6 | 02/22 | Internal Environment Chapter 4 Recognizing a Firm’s Intellectual Assets: Moving beyond a Firm’s Tangible Resources | Round 2 |
| | | Internal Environment Case – <i>TBD</i> | |
| Week 7 | 03/01 | Business Level Strategies: Chapter 5 Business-Level Strategy: Creating and Sustaining Competitive Advantages | Round 3 |
| | | Business Level Strategies: Case – <i>TBD</i> Simulation Discussion | |
| Week 8 | 03/08 | Corporate Level Strategies Chapter 6 Corporate-Level Strategy: Creating Value through Diversification | Round 4 |
| | 03/10 | Mid Term Exam Harvard Business School Case #9-803-133 March 11, 2003 Southwest Airlines 2002: An industry under siege | |
| Week 9 | 03/15 | Spring Break | |
| Week 10 | 03/22 | Michael Green – Speaker Measuring Performance | Round 5 |

| WEEK | DATE | TOPIC | ASSIGNMENT |
|---------|-------|---|-------------------------|
| | | Appendix 13.1 Financial Ratio Analysis Rappaport, A. 2006. "10 Ways to Create Shareholder Value". <i>Harvard Business Review</i>, 84 (9):66-77. | |
| Week 11 | 03/29 | Mergers/Acquisitions/Cooperative Strategies | Round 6 |
| | | Strategic Leadership Chapter 9 Strategic Control and Corporate Governance | |
| Week 12 | 04/05 | Top Management, Board Responsibilities, Ethics Phil Trammell 1pm lunch | |
| | | Innovation and Entrepreneurship Chapter 12 Managing Innovation and Fostering Corporate Entrepreneurship | |
| Week 13 | 04/11 | Beinhocker, E., Davis, I., & Mendonca, L. 2009. The 10 trends you have to watch. <i>Harvard Business Review</i> , July-August: 55 - 60. Kanter, R. M. 2009. What would Peter say. <i>Harvard Business Review</i> , 87(11): 64-70. BUSINESS WEEK | |
| | 4/13 | Individual Project Presentations | All Projects Due |
| Week 14 | 04/18 | Individual Project Presentations | |
| Week 15 | 04/25 | Individual Project Presentations | Comp – XM Begins |
| Week 16 | 05/03 | Individual Project Presentations | |
| | | <u>05/06/2011 COMP-SM Ends</u> | |

| WEEK | DATE | TOPIC | ASSIGNMENT |
|-------------|-------------|-------------------------------------|-------------------|
| | | Final Simulation Reports Due | |
| | | | |

Seminal Readings in Strategy

- Bhide, A. 1986. Hustle as strategy. *Harvard Business Review*, 64(5): 59-65.
- Bhide, A., & Stevenson, H. H. 1990. Why be honest if honesty doesn't pay. *Harvard Business Review*, 68(5): 121-129.
- Collis, D. J., & Montgomery, C. A. 1995. Competing on resources: Strategy in the 1990s. *Harvard Business Review*, 73(4): 118-128.
- Collis, D. J., & Montgomery, C. A. 1998. Creating corporate advantage. *Harvard Business Review*, 76(3): 70-83.
- Eisenhardt, K. M., & Sull, D. N. 2001. Strategy as simple rules. *Harvard Business Review*, 79(1): 107-116.
- Goold, M., & Campbell, A. 1998. Desperately seeking synergy. *Harvard Business Review*, 76(5): 130-143.
- Gulati, R., & Garino, J. 2000. Get the right mix of bricks & clicks. *Harvard Business Review*, 78(3): 107-114.
- Hamel, G., & Prahalad, C. K. 1985. Do you really have a global strategy? *Harvard Business Review*, 63(4): 139-148.
- Hamel, G., & Prahalad, C. K. 1989. Strategic intent. *Harvard Business Review*, 67(3): 63-76.
- Henderson, B. D. 1989. The origin of strategy. *Harvard Business Review*, 67(6): 139-143.
- Mintzberg, H. 1987. Crafting strategy. *Harvard Business Review*, 65(4): 66-75.
- Mintzberg, H. 1994. The fall and rise of strategic planning. *Harvard Business Review*, 72(1): 107-114.
- Mintzberg, H. 1996. Musings on management. *Harvard Business Review*, 74(4): 61-67.
- Porter, M. E. 1987. From competitive advantage to corporate strategy. *Harvard Business Review*, 65(3): 43-59.
- Porter, M. E. 1996. What is strategy? *Harvard Business Review*, 74(6): 61-78.
- Porter, M. E. 2001. Strategy and the Internet. *Harvard Business Review*, March: 62-78.
- Porter, M. E., & Millar, V. E. 1985. How information gives you competitive advantage. *Harvard Business Review*, 63(4): 149-160.
- Prahalad, C. K., & Hamel, G. 1990. The core competence of the corporation. *Harvard Business Review*, 68(3): 79-91.
- Yoffie, D. B., & Cusumano, M. A. 1999. Judo strategy: The competitive dynamics of Internet time. *Harvard Business Review*, 77(1): 70-81.

Seminal Books in Strategy

- Allison, G. 1971. *Essence of Decision*. New York: Little, Brown, & Co.
- Arrow, K. J. 1974. *The Limits of Organization*. New York: W. W. Norton
- Barnard, C. I. 1938. *The Functions of the Executive*. Cambridge, MA: Harvard University Press.
- Chandler, A. D. 1962. *Strategy and Structure*. Cambridge, MA: MIT Press.
- Iansiti, M. & Levien, R. 2004. Keystone Advantage. Boston: Harvard Business School Press.
- Penrose, E. T. 1959. *The Theory of the Growth of the Firm*. New York: Wiley.
- Porter, M.E. 1980 *Competitive Strategy*. New York: Free Press.
- Porter, M.E. 1985. *Competitive Advantage*. New York: Free Press.
- Rogers, R. P. 1974. *The Diffusion of Innovations*. (4th edition). New York: Free Press.
- Rumelt, R. P., Schendel, D.E., & Teece, D. J. 1994. *Fundamental Issues in Strategy*. Cambridge, MA: Harvard University Press.
- Sun T. 1983. *The Art of War*. Delacourt Press:New York.
- Williamson, O.E. 1975. *Markets and Hierarchies*. New York, NY: Free Press.

Case Analysis Outline

- I. Executive Summary
- II. External Environment
 - A. General Environment (O/T) [10 points]
 - 1. Political/Legal
 - 2. Economy
 - 3. Global
 - 4. Demographics
 - 5. Sociocultural
 - 6. Technology
 - B. Porter's Five Forces Industry Environment (O/T) [12.5 points]
 - 1. Threat of Buyers
 - 2. Threat of Suppliers
 - 3. Threat of New Entry
 - 4. Threat of Rivalry
 - 5. Threat of Substitutes
 - C. Overview of All O/T
- III. Internal Environment (S/W)
 - A. Resources and Capabilities [35 points]
 - 1. Value Chain Fit
 - 2. VRIN
 - 3. Core Competence
 - 4. Financial Analysis
 - B. Business Level [7.5 points]
 - 1. Value Chain
 - 2. Mitigate Porter's Five Forces
 - C. Corporate level [7.5 points]
 - 1. Value Chain
 - 2. Above Average Returns
 - D. Overview of S/W
- IV. SWOT [15 points]
 - A. Viable Strategic Alternatives
 - Match Opportunities and Threats (External Environment and Industry Analysis)
with Strengths and Weaknesses (Internal Analysis)
SW = OT
 - B. Evaluate viable Strategic Alternatives Identified above in A [12.5 points]

Acknowledgement of Syllabus

Management 4322 – Organizational Strategy / Spring 2011

I acknowledge that I have read the entire syllabus and understand the requirements for this course.

Student Name (printed):

Student Signature:

Date: _____