

MANAGEMENT 4322

Organizational Strategy

Spring 2012	Tuesdays and Thursdays
Professor: M. Ann McFadyen	Sec 003 Room 153
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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 strongly encourage you to drop the course and re-enroll at a later date.

II. MATERIALS

Required readings:

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

Wall Street Journal (reduced rate subscriptions are available)

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

CapSim – Capstone Simulation Model
COMP-XM

III. COURSE 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 conduct a well-supported SWOT analysis. 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.

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	5
B. Comp XM	2.5
C. ETS – Major Field Test	7.5
D. Participation	15
E. Mid Term Examination	35
F. Individual Project	35
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 five groups and turn in your group member list to me by January 31st.

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

B. Comp-XM

After competing in the Foundation® Business Simulation game, each student will be required to complete Comp-XM® individually. This exercise entails participating in an additional five similar, yet different rounds (years) of another simulation. After each simulated year, you will complete a short quiz, called a "Board Query," that contains questions tailored to your specific situation. Although every student in the course will use the same software, the environment, rules and competitive environment change. Consequently, each examination is unique, because each student is tested on the decisions and results in his/her own company — decisions and results that will be different from those of any other company.

You will be required to make decisions for your company as it competes against four computer-managed companies. Each examination consists of five rounds. Typically, each round will take approximately 2 hours to complete. Each round begins with a short test (Board Query) of approximately 6 questions that look at the current market conditions. After completing the test, you will make decisions for the coming year.

The cost of Comp-XM® is included in the Foundation® Business Simulation registration fee.

C. Major Field Test

The 'major field test in business' was developed by the Educational Testing Service (ETS). More than 500 schools of business use this standardized test which is designed to "assess mastery of concepts, principles, and knowledge of business and evaluate students' abilities to analyze and solve problems, understand relationships and interpret material such as graphs, diagrams, and charts."

The major field test in business contains 120 objective (multiple-choice) questions with 60 items in each of two exam parts. Questions vary in difficulty over areas known as the 'common body of knowledge' as specified by AACSB. This common core includes accounting, economics, management, quantitative business analysis and information systems, finance, marketing, legal and social environment, and international aspects/issues of the business enterprise.

From ETS major field test information, the business test is intended to:

1. Measure students' academic achievement in the multidisciplinary subject matter representative of undergraduate business education.
2. Provide information to students regarding their level of achievement.
3. Provide information to faculties regarding the achievement of their students; information

that can be used by the institution to assess their performance relative to their specific mission and objectives.

4. Provide information to facilitate development of appropriate goals and educational programs, and to enhance the accountability of undergraduate business education.

Major areas covered and test proportions are as follows:

- I. Accounting (about 15 percent of the questions)
 - A. Financial accounting
 - 1. Conceptual foundations
 - 2. Income Statement and Statement of Retained Earnings
 - 3. Balance sheet
 - 4. Statement of cash flows
 - B. Managerial Accounting
 - 1. Cost concepts
 - 2. Product costing systems
 - 3. Activities-based costing
 - 4. Cost, volume, and profit analysis
 - 5. Budgeting (except capital budgeting covered under Finance)
 - 6. Standard costing
 - 7. Non-routine decision-making
 - C. International Accounting
- II. Economics (about 13 percent of the questions)
 - A. Basic Economic Concepts
 - 1. Scarcity and opportunity cost
 - 2. Production possibilities frontier
 - 3. Comparative advantage and specialization
 - 4. Economic systems
 - B. Microeconomics
 - 1. Supply and demand
 - 2. Models of consumer choice
 - 3. Production and costs
 - 4. Product market structures
 - 5. Resource markets
 - 6. Market failure and the role of government
 - C. Macroeconomics
 - 1. Measurement of economic performance
 - 2. Aggregate demand and aggregate supply
 - 3. Money and the banking system
 - 4. Monetary policy and fiscal policy
 - 5. Economic growth
 - D. International economics
 - 1. International trade and policy
 - 2. Exchange rates
 - 3. Balance of payments
- III. Management (about 15 percent of the questions)
 - A. Management Process
 - 1. History and theory

- 2. Functions (organizing, leading, planning, and controlling)
- 3. Group/team dynamics
- 4. Total quality management
- B. Organizational behavior
 - 1. Leadership and motivation
 - 2. Communication
 - 3. Managing diversity
 - 4. Human resource management
- C. Strategy and policy
 - 1. Strategic analysis
 - 2. Policy determination
- D. International/cross cultural management
- E. Entrepreneurship
- IV. Quantitative Business Analysis (about 11 percent of the questions)
 - A. Probability and statistics
 - 1. Measure of set operations
 - 2. Conditional/joint probabilities
 - 3. Counting rules
 - 4. Measures of central tendency and dispersion
 - 5. Distributions (including normal and binomial)
 - 6. Sampling and estimation
 - 7. Hypotheses testing
 - 8. Correlation and regression
 - 9. Time-series forecasting
 - 10. Statistical concepts in quality control
 - B. Management Science
 - 1. Linear programming
 - 2. Project scheduling (including PERT and CPM)
 - 3. Inventory and production planning
 - 4. Managing continuous improvement
 - 5. Special topics (including queuing theory, simulation, and decision analysis)
 - V. Information Systems (about 10 percent of the questions)
 - A. Information Systems in Business and Society
 - 1. Information management in a global society
 - 2. Security, Privacy and Ethical Issues
 - B. Information Technology Concepts
 - 1. Hardware Technology
 - 2. Software Technology
 - 3. Database Management Systems
 - 4. Network and Internet Technology
 - C. Business Information Systems
 - 1. Automation and Support Systems
 - 2. Transaction Processing Systems
 - 3. Management Information Systems
 - 4. Decision Support and Expert Systems
 - 5. Strategic Information Systems
 - D. Systems Development
 - 1. Systems Investigation and Analysis

- 2. Systems Planning Development and Implementation
- VI. Finance (about 13 percent of the questions)
 - A. Corporate Finance
 - 1. Time value of money
 - 2. Capital budgeting
 - 3. Working capital management
 - 4. Financial statement analysis
 - 5. Cost of capital and capital structure
 - B. Investments
 - 1. Risk and Returns
 - 2. Valuation of securities
 - 3. Financial markets and environments
 - C. International Finance
- VII. Marketing (about 13 percent of the questions)
 - A. Identifying attractive markets
 - 1. Strategic marketing planning
 - 2. Scanning marketing environment
 - 3. Marketing research and information technology tools
 - 4. Consumer and organizational buyer behavior
 - B. Marketing institutions
 - 1. The marketing mix (Product, Price, Place, and Promotion)
 - 2. Segmenting consumer and organizational markets
 - 3. Marketing services
 - 4. Marketing for not-for-profit organizations
 - 5. Marketing of social causes
 - 6. Environmental and international law
 - C. International marketing
- VIII. Legal and Social Environment (about 10 percent of the questions)
 - A. Legal environment
 - 1. Courts and legal systems
 - 2. Constitution and business
 - 3. Administrative law
 - 4. Tort law
 - 5. Crimes
 - B. Regulatory environment
 - 1. Employment law
 - 2. Labor law
 - 3. Antitrust law
 - 4. Consumer protection
 - 5. Environmental and international law
 - 6. Security regulation
 - C. Business relationships
 - 1. Contract and sales law (UCC)
 - 2. Business organizations
 - 3. Law of agency
 - 4. Intellectual property
 - D. Ethics and Social Responsibility
 - 1. Ethics

2. Social responsibility

IX. International Issues (overlapping and drawn from Economics, Finance, Management, and Marketing – Topics IC, IID, IIID, VIC, VIIC, and VIIIB5)

D. INDIVIDUAL PROJECT

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 been announced after August 2011. A one-page description of the strategic decision that you have selected is due at the beginning of class January 26, 2012. 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 be 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.

E. MID TERM EXAMINATION

There will be one essay mid term exam. 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 in 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.

F. PARTICIPATION

Your participation grade is a critical element of this class, comprising 15 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 three 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, you are required to turn in a 1 – 2 page single spaced 12-point font write-up of each case that you do not present. The goal of this participation activity is to assess the presentations of your peers. You are to look for areas where the groups simply restated the facts versus added analysis to each case. We will discuss this further in class. Third, 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 lecturer 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 Fall 2006, 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 2012 SYLLABUS*

WEEK	DATE	TOPIC	ASSIGNMENT
Week 1	1/17	Introduction What is strategy, what strategy is not. Henderson, B.D. 1989. The Origin of Strategy, HBR, Nov/Dec 67(6), pp. 139-143. Porter, M.E. 1996. What is Strategy?, HBR, Nov/Dec 74(6), pp. 61-78. Campbell, A. & M. Alexander 1997. What's Wrong with Strategy, HBR, Nov/Dec 75(6), pp. 42-51.	
	1/19	Introduction What is strategy, what strategy is not. Henderson, B.D. 1989. The Origin of Strategy, HBR, Nov/Dec 67(6), pp. 139-143. Porter, M.E. 1996. What is Strategy?, HBR, Nov/Dec 74(6), pp. 61-78. Campbell, A. & M. Alexander 1997. What's Wrong with Strategy, HBR, Nov/Dec 75(6), pp. 42-51.	Signed acknowledgements due at beginning of class List of Team Members
Week 2	1/24	Introduction Chapter 1 Strategic Management: Creating Competitive Advantages Simulation Practice Round 1	
	1/26	External Environment-General Environment Chapter 2 Analyzing the External Environment of the Firm	

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- *All exam dates are firm. Additional readings and cases will be assigned as needed.

WEEK	DATE	TOPIC	ASSIGNMENT
Week 3	1/31	Chapter 2 External Environment Simulation Practice Round 2	
	2/2	Internal Environment Chapter 3 Assessing the Internal Environment of the Firm	
Week 4	2/7	Internal Environment Chapter 4 Recognizing a Firm's Intellectual Assets Simulation Practice Round 3	
	2/9	Internal Environment Focus on the Value Chain and Core Competences Case – TBD	
Week 5	2/14	Business Level Strategies: Chapter 5 Business-Level Strategy: Creating and Sustaining Competitive Advantages	
	2/16	Business Level Strategies: Case – <i>TBD</i> Competition Round 1 Information on ETS – Major Field Test	
Week 6	2/21	Corporate Level Strategies Chapter 6 Corporate-Level Strategy: Creating Value through Diversification ETS Major Field Test Registration	
	2/23	Corporate Level Strategies Case – TBD Competition Round 2	
Week 7	2/28	Measuring Performance Appendix 13.1 Financial Ratio Analysis	
	3/01	Strategic Control and Corporate Governance	

WEEK	DATE	TOPIC	ASSIGNMENT
		Chapter 9 Competition Round 3	
Week 8	3/06	Strategic Leadership Chapter 9 Strategic Control and Corporate Governance	
	3/08	Mid Term Exam	
Spring Break	3/13	Spring Break	
	3/15	Spring Break	
Week 9	3/20	Strategic Leadership Chapter 11	
	3/22	Managing Innovation and Fostering Corporate Entrepreneurship Chapter 12 Competition Round 4	
Week 10	3/27	Top Management, Board Responsibilities	
	3/29	Beinhocker, E., Davis, I., & Mendonca, L. 2009. The 10 trends you have to watch. <i>Harvard Business Review</i> , July-August: 55 - 60. Readings - TBD Competition Round 5 BUSINESS WEEK	NOTE: Last day to Drop March 30
Week 11	4/3	Rappaport, A. 2006. "10 Ways to Create Shareholder Value". <i>Harvard Business Review</i> , 84 (9):66-77. Readings – TBD	
	4/5	Kanter, R. M. 2009. What would Peter say. <i>Harvard Business Review</i> , 87(11): 64-70. Readings – TBD	

WEEK	DATE	TOPIC	ASSIGNMENT
Week 12	4/10	The Networked Organization	
	4/12	Wrap Up	
Week 13	4/17	Individual project presentations	
	4/19	Individual project presentations	
Week 14	4/24	Individual project presentations	
	4/26	Individual project presentations	
FINAL	5/1	Individual project presentations	
	5/3	Individual project presentations COMP-XM Ends 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. Introduction

II. External Environment

A. General Environment (O/T) [15 points]

- Political/Legal
- Economy
- Global
- Demographics
- Sociocultural
- Technology

B. Porter's Five Forces Industry Environment (O/T) [15 points]

- Threat of Buyers
- Threat of Suppliers
- Threat of New Entry
- Threat of Rivalry
- Threat of Substitutes

C. Overview of All O/T

III. Internal Environment (S/W)

A. Internal Analysis [50 points]

- Core Competence
 - Analyze Value Chain and Fit for support
- Business Level
 - Analyze Value Chain
- Corporate level
 - Analyze Value Chains

B. Overview of S/W

IV. SWOT [10 points]

Match previously identified (from II and III above) Opportunities and Threats (External Environment and Industry Analysis) with Strengths and Weaknesses (Internal Analysis)

SW = OT

V. Evaluate viable Strategic Alternatives [10 points]

- Present 3 viable strategic alternatives
- Choose best option

Acknowledgement of Syllabus

Management 4322 – Organizational Strategy / Spring 2012

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

Student Name (printed):

Student Signature:

Date: _____