



北京大學
汇丰商学院

Peking University HSBC Business School

MGT 510

Strategic Management

Module 3, 2015-2016

DRAFT
Posted Online
Final Version Available in Class

Course Information

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Classes:

Lectures: Monday and Thursday - Session 1: 10:30-12:20; Session 2: 3:30-5:20

Venue: PHBS Building – Session 1+2: Room 311

Course Website:

Once class starts please enrol in our course page at <http://cms.phbs.pku.edu.cn/>.

Announcements, documents, etc. will be posted to this site and it is your responsibility to make sure you keep up with them.

1. Course Description

1.1 Context

This course centers on the strategic vision of the firm. We will build on your expertise in the functional areas of marketing, accounting, finance, and management in order to analyze the firm as a whole. The concept of strategy in organizations has been used to explain the reason some organization fail, some succeed, and some do exceptionally well. In this course we will use readings and cases to examine current business theories and issues as we work to better understand the complexities of business strategy.

It is of great importance that you understand that while there are clear issues that we will be addressing there may not be a "right" answer. Because of this there will be multiple "right" answers to the cases and questions we face during our time together in this course. This will be a good experience in being able to discuss and work together in industry and my evaluation of your work will be in line with this. Much of my evaluation will be based on what you do with the information, whether the solution is logical and fits the given situation, and how you would implement your strategy. This means that "wrong" answers will neglect key pieces of

information, be lacking in logical construction, and/or be communicated poorly. The skills that can be learned in this class are not only essential for general managers to learn, but for consultants and entry-level managers from all disciplines, especially given an increasingly competitive environment.

1.2 Textbooks and Reading Materials

Readings

Cases and articles as assigned in the course schedule. You are responsible for finding all of the assigned readings for the class as you will need to be familiar with tracking down articles and information for your thesis.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Yes
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes
	2.2. Students will be able to apply leadership theories and related skills.	Yes
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	No
	3.2. Our students will practice ethics in the duration of the program.	No
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes
	5.3. Our students will demonstrate competency in critical thinking.	Yes

2.2 Course specific objectives

1. Integrate knowledge and apply analytical techniques from various disciplines, including finance, accounting, management, marketing, and economics. The goal is to identify and analyze strategic issues and develop solutions in the form of implementable plans with the purpose of developing and sustaining competitive advantage.
2. Demonstrate comprehension of the nature of strategic competitiveness and develop the ability to critically analyze the competitive environment facing a firm, assess the attractiveness of the industry and isolate potential sources of competitive advantage and disadvantage.
3. Discriminate among the types of data that general managers need to evaluate alternative scenarios. Develop logical, coherent and persuasive analyses for a desired

course of action. Consider how to effectively implement plans within the constraints imposed by the complex behavior of individuals within organizations.

4. Build communication skills throughout course assignments, class interactions, teamwork, and presentations. Be effective and efficient in how you communicate complex problems and solutions. This also includes building listening and reading skills to develop an understanding of the materials and thoughts that are presented.
5. Simulate, as much as possible, behavior consistent with business settings while learning frameworks and tools useful for management and consulting.

2.3 Assessment/Grading Details

Strategic Challenges Project – Total 30%

Interview Presentation – 5%

Written Report – 15%

Presentation – 10%

Case Write-Ups – 40%

Article Write-Ups – 15%

Professionalism, Participation, and Peer Evaluation – 15%

Strategic Challenges Project:

Team skills are in high demand in the business world. Contribution to team success is a measure of your individual abilities and your relational skills. It will be important that you get to know your team well and that you are upfront with your team about your strengths and weaknesses.

For this course, the strategic challenges project teams will be formed in the first few classes and teamwork will account for a significant portion of your grade. Team assignments are expected to be of higher quality than if you were working as an individual so you should work to use each member's individual resources. You can take this opportunity to learn from your teammates as they may have different skill sets than you and you can also take this opportunity to learn about how to better manage teams and the team process. There are resources/skills such as leadership, organization, researching, writing, speaking, writing, and time to mention a few. Use them to your advantage.

It is important that you are able to both understand and articulate the challenges that face a firm in seeking and sustaining a competitive advantage. Your team paper will describe the context of the firm (think internal and external), the challenges the context creates, and address possible changes in the context or firm. Your team should then provide both short- and long-term recommendations for the firm, including implementation plans. Throughout this paper your team will be expected to utilize content we have discussed and learned in class (this is your chance to show what you have learned). You will need to provide me a 1-page memo with your company choice and their general context at the start of class 6.

This assignment is designed to give you freedom but I recommend that you chose an industry that you have knowledge of or that you are interested in learning more about. You will need to find a firm to work with for you assignment. You will need to interview someone who is high enough within the firm that they understand the firm's strategy, conduct research from outside resources on the firm, and conduct research on the industry and the environment that the firm is in. The company should be an established firm that you know you can find information on. Be smart about picking your firm as you will need to write a complete report and it may be difficult to do this if you pick a firm that can't provide you with the necessary information.

Interview presentation

You will need to give a 5-minute presentation about the company you are working on based on an interview you conducted with your contact at the company and your preliminary outside research. This is your chance to show the class what is interesting about the firm you are working on. This will also give the class some idea about who you are studying for your final presentation. Along with the 5-minute presentation you will need to turn in a typed transcript

of your interview (in English). This presentation will take place in the 9th class.

Written Report

I will start with the question that I always get: How many pages should the report be? This question misses the point of this assignment. The goal of this assignment is to see how you process information and make decisions. As such, I do not have a page minimum or maximum for this assignment. While I don't have a specific requirement for the length you should keep in mind that you need to be able to explain the necessary information while being concise. Part of this project is that you must show that you are able to convey the important information in a meaningful way. You should also keep in mind that the purpose of this report is to show me what you have learned from class, this should include frameworks, analysis, and the logic that you use to support your ideas. This assignment must be turned in by or on the last day of class.

Final Presentation

The class will end with an oral presentation of the case you have built for your firm. Presentations are expected to last approximately 20 minutes with another 5 minutes allotted for questions and discussions. This is your chance to show that your recommendations are the best option for the firm.

If you use a computer presentation, arrange your equipment needs and come to class early to set up. It is also highly recommended that you prepare backup material/equipment as I have seen many (including my own) presentations thwarted by equipment failures. **There will be a penalty for exceeding the time limit.** Class members will be evaluating your performance in the oral presentation and will be assigning a grade to each team. I will use this in my assessment of overall performance. For calculation purposes you may assume that I will average the class evaluation and give it 10-20% weight (of the oral presentation) in my calculations.

Case Write-Ups:

You will be asked to write analyses for cases during the course. These write-ups are **due at the start of class** as they are designed to help facilitate discussion. In general you should very briefly explain the context of the case including the main challenge(s) they face, analyze the fit between the internal and external environment for the firm, and highlight a few options that are available to the firm, and finally make recommendations and provide an implementation plan for the firm to move forward. There are 6 cases in this class and I will take your 4 highest scores meaning that each of these 4 cases accounts for 10% of your grade. You can do all 6 cases or you can do 4, it is up to you. Furthermore, I will allow you to work in pairs for these cases, if you would like. However, you may only work with the same partner **once**.

Article Write-Ups:

For the article write-ups you are expected to go beyond the article and answer the questions listed after the article. You will need to respond with your own answers based on the articles, class, and your own thoughts. The goal of this assignment is to not just summarize what was in the article but to integrate it into our class. The highest grades will go to students who are able to demonstrate that they have brought information into their analysis that is from outside the articles.

Professionalism and Participation:

To get the most out of this class it is important for you to be prepared for each class. This will provide you with the most benefit and will also provide the most benefit for your classmates. Being prepared will allow you to keep up with your classmates in discussion and provide your experiences and insight. Your participation will be tracked throughout the class and you will be graded on your level of participation.

I will also evaluate your professionalism in the class. This does not mean that you should not speak until spoken to or that you should not challenge my ideas or the ideas of your classmates but that you should maintain a respectful atmosphere for everyone to pursue their ideas. Please be upfront with your team. You may want to set some goals and put plans in place to deal with issues that may come up along the way. You are always welcome to come to me if

issues arise in your group but it will be a far better experience if you have the communication paths set up to deal with these ahead of time. I also expect you to treat my class as you would a job, keeping in mind the expectations that stem from that.

Peer Evaluation

For this course you will also evaluate your teammates. To garner the best possible team peer evaluation, it will be necessary for you to know what your responsibilities are and to execute those for your team. It is imperative that you communicate often, attend meetings, complete your assignments on time, and help lead the team to success. Be sure to use each team member's resources as you would in any organization. It isn't necessary for every member to work an equal amount in every area. Peer evaluations will reflect the amount of effort put forward by each team member in total. Peer evaluations will be used to adjust each individual's participation and professionalism score at the end of the class.

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconduct, which includes plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct checks. Misconduct checks may include reproducing the assessment, providing a copy to another member of faculty, and/or communicating a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purposes.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule

Schedule:

This is a general guide, as it may change over time. Notification will be given of any changes.

CLASS 1 – February 23rd – Introductions

CLASS 2 – February 26th – Strategic Management 1/2

“What is Strategic Management?”

Articles:

Ghemawat, P. (2002). Competition and business strategy in historical perspective. *The Business History Review*, 76(1): 37-74.

Questions:

- 1) Please list the tools/frameworks mentioned in the article that you could use in your analyses of firms.
- 2) In general what do tools/frameworks do as you analyze a company? What don't they do?

CLASS 3 – March 1st – Strategic Management 2/2

Case 1:

TnR

Articles:

Porter, M. (1996). What is strategy? *Harvard Business Review*.

Questions:

- 1) How does this article by Porter tie into the article from our last class?
- 2) Based on this article and the article from the last class: What is strategy? What in a firm is not strategy?

CLASS 4 – March 4th – Environment 1/3

“The External Environment”

Articles:

Campbell and Whitehead (2010). How to test your decision-making instincts. *McKinsey*.
Kahneman and Klein (2010). Strategic decisions. When can you trust your gut? *McKinsey*.

Questions:

- 1) How do you personally process information?
- 2) How do you make decisions?
- 3) Do you side more with Gary or Daniel? Why?

CLASS 5 – March 8th – Environment 2/3

“The Internal Environment”

Articles:

Campbell, A. (2015). The basic principles of strategy haven't changed in 30 years. *Harvard Business Review*.
Martin, R.L. (2015). The first question to ask of any strategy. *Harvard Business Review*.
Leinwant, P., Mainardi, C., and Kleiner, A. (2015). 5 ways to close the strategy-to-execution gap. *Harvard Business Review*.

Questions:

- 1) Do you agree with the idea behind Campbell's article? Why or why not?
- 2) Based on the other two articles, why do you think it is so hard to come up with effective strategies?

CLASS 6 – March 11th – Environment 3/3 – Memo Due

Case 2:

Wanda

Articles:

Bradley, Hirt, and Smit (2011). Have you tested your strategy lately? McKinsey

Questions:

- 1) Please explain how the Bradley et al. article fits with the past articles we have read about strategy? (e.g., is it different, what is similar, are there different views that are in the background, etc.)

CLASS 7 – March 15th – Strategy 1/5

“Business Level Strategy”

Articles:

Shinkle, Kriauciunas, and Hundley (2013). Why pure strategies may be wrong for transition economy firms. *Strategic Management Journal*, 34(10): 1244-1254.

Questions:

- 1) What issues come up for a firm using a single pure strategy?
- 2) How does this article fit into our discussion of strategy in this class?

CLASS 8 – March 18th – Strategy 2/5

“Corporate Level Strategy”

Articles:

Chakrabarti, Singh, and Mahmood (2007). Diversification and performance: Evidence from East Asian firms. *Strategic Management Journal*, 28: 101-120.

Questions:

- 1) From the Chakrabarti et al. article, please explain conceptually the interaction between diversification and institutional development.

CLASS 9 – March 22nd – Interview Presentations

CLASS 10 – March 25th – Strategy 3/5

Case 3:

Amazon

Articles:

Collis and Rukstad (2008). Can you say what your strategy is? *Harvard Business Review*.

Questions:

- 1) Why would having an available strategy be a positive for a firm?
- 2) In what case would this not be a positive?
- 3) Why is having a “strategy” difficult for some firms?

CLASS 11 – March 29th – Strategy 4/5

“International Strategy”

Articles:

Kelly, N. (2015). 7 traits of companies on the fast track to international growth. *Harvard Business Review*.

Ghemawat, P., and Pisani, N. (2014). The Fortune Global 500 isn't all that global. *Harvard Business Review*.

Kirby, W.C., and McFarlan, F.W. (2015). China still isn't ready to be a true global leader. *Harvard Business Review*.

Questions:

- 1) What two forces do you think are the biggest drivers of globalization? What two are the biggest hindrances?
- 2) Do you think the world is getting more globalized right now or less? Give an example or two.

CLASS 12 – April 1st – Strategy 5/5**Case 4:**

Jabwood

Articles:

Ghemawat, P. (2007). Managing differences: The central challenge of global strategy. Harvard Business Review.

Questions:

- 1) What specifically about firm globalization makes having an effective strategy so difficult?

CLASS 13 – April 5th – Corporate Governance 1/2**Articles:**

Barton, D. and Wiseman, M. (2015). Where boards fall short. Harvard Business Review.

Questions:

- 1) What is the role of the board of directors?
- 2) What is the interaction between the CEO, Board, and shareholders?

CLASS 14 – April 8th – Corporate Governance 2/2**Case 5:**

Allergan

Articles:

Planet Money (2016). Episode 682:When CEO pay exploded.

Podcast: <http://www.npr.org/sections/money/2016/02/05/465747726/-682-when-ceo-pay-exploded>

Transcript:

<http://www.npr.org/templates/transcript/transcript.php?storyId=465747726>

Questions:

- 1) Before listening to this podcast what are your thoughts on CEO compensation? Do CEO's deserve the high salaries they receive?
- 2) How does CEO pay fit into the broader policy framework? What does this tell us about the interaction of regulatory policy and firm behavior?

CLASS 15 – April 12th – Strategic Entrepreneurship 1/2**Articles:**

Pisano, G. (2015). You need an innovation strategy. Harvard Business Review.

Questions:

- 1) Practically, what are some options for how a firm could implement these ideas?
- 2) What difficulties may the firm encounter as they try to change?

CLASS 16 – April 15th – Strategic Entrepreneurship 2/2**Case 6:**

Merck

Articles:

Christensen, C.M., Raynor, M., and McDonald, R. (2015). What is disruptive innovation? Harvard Business Review.

Questions:

- 1) What are two firms (not mentioned in the article) that are commonly discussed as disrupters that may not be based on the ideas from the article?
- 2) How does the idea of disruptive innovation fit into strategy?

CLASS 17 – April 19th – Final Presentations 1/2

CLASS 18 – April 22nd – Final Presentations 2/2