



**East China Normal University
International Summer Session**

BUS 23 Strategic Management

Term: July 5th –August 8th, 2018

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Course Description

This course represents a case study approach to business decision-making that integrates functional and organizational disciplines. It examines a series of complex industrial situations in depth to determine, in each instance, the strategy and policies a firm should follow for its long-run survival.

Course Overview

This course introduces students to analytical frameworks managers use to formulate business and corporate strategies. The goal of strategic management is to gain *sustainable competitive advantage* (SCA) – a concept that has much relevance beyond business organizations. In fact, I encourage you to consider how the ideas and tools in this course can help you to achieve *your* professional and personal objectives. Firms attain SCA by building ‘distinctive competencies’ and deploying them more effectively than their rivals. Similarly, each of us has strengths and weaknesses that enable us to excel easily at some tasks, but cause us to struggle with others. Understanding these, and learning to compensate for our weaknesses and leverage our strengths, is critical life skills. Organizations face the same challenge. We’ll examine a variety of ‘moves’ through which firms position themselves to compete on their strengths while neutralizing the effects of their weaknesses. These include: staking out a defensible cost or differentiation advantage; establishing an operational scope - vertically, horizontally, and globally - that will reinforce those positions; and developing organizational systems to support innovation and the search for new business opportunities.

While the course concepts are fairly simple, their application is not. Clear choices (e.g., whether to enter a new business) have uncertain and uncontrollable outcomes. The efficacy of any move depends on the simultaneous actions and responses of multiple stakeholders. Often, managers are confronted with ill-structured, ambiguous decisions. For example, performance is flagging, yet little about the firm’s strategy or context seems to have changed. Or, the environment has shifted dramatically, and managers need to determine how their current strategy should evolve. While our context is strategic management, the competencies you acquire are transferable to other professional and personal situations.

Course Goals



This course is designed for students to build skills in:

- (i) identifying complex problems and decisions;
- (ii) clarifying their structures;
- (iii) developing alternative solutions;
- (iv) selecting among them.

You'll learn these skills primarily through case analyses.

Required Text

- Dess, Eisner, Lumpkin, & McNamara. Strategic Management: Creating Competitive Advantage, 9th Edition. (Referred to as DELM: ISBN 9781259900457).
- Thompson, Stappenbeck, Reidenbach, Thrasher, & Harms. The Global Business Strategy Simulation Game. (Referred to as GLO-BUS).

GLO-BUS Simulation Access Code can be purchased online at <http://www.glo-bus.com>

Course Hours

The course has 25 class sessions in total. Each class session is 110 minutes in length, for a total of 2750 minutes of in-class time. The course meets from Monday to Friday from July 5th to August 8th. ECNU awards 4 credits for this course. Different universities may count course credits differently. Consult officials at your own home institution.

Attendance

Summer school is very intense and to be successful, students need to attend every class. Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. ECNU policy requires a medical certificate to be excused. Any absence may affect the student's grade. Moreover, **ECNU policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.**

Grading Policy

ECNU awards grades of A, A-, B+, B, B-, C+, C, D, and F. Most colleges and universities do not award transfer credit for grades of D or F.

In this course, grading will be based on the followings:

Class Participation Attendance (5%) Class discussion (10%)	50 points 100 points	15%
2 Exams (20% * 2 Exams = 40%)	200 points each * 2=400 points	40%



Case Analysis 1 Group Case Presentation (15%) 1 Group Case Write-up (10%)	150 points 100 points	25%
GLO-BUS Quiz 1 (2.5%) Quiz 2 (2.5%) Final Performance Score (10%) Final GLO-BUS Presentation (5%)	25 points 25 points 100 points 50 points	20%
Total	1000 Points	100%

General Expectations

Students are expected to:

- Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade. Moreover, ECNU policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.
- Complete the day's required reading and assignments before class.
- Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading.
- Participate in class discussions and complete required written work on time.
- Refrain from texting, phoning or engaging in computer activities unrelated to class during class. Students who do not do this will be asked to leave the class.
- While class participation is welcome, even required, you are expected to refrain from private conversations during the class period.

Course Schedules

The planned schedule sketched out below may be modified to suit the interests or abilities of the enrolled students or to take advantage of special opportunities or events that may arise during the term.

7/5	Course Introduction and Preview
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7/6	<p>Chapter 1: Strategic Management: Creating Competitive Advantages (Read DELM Chapter 1)</p> <p>Learning Objectives:</p> <ul style="list-style-type: none">• Understand the fundamental goals and content of strategic management• Appreciate what is expected of you in this course, and why <p>Key Concepts:</p> <ul style="list-style-type: none">• Sustained Competitive Advantage• Internal and External Analysis• Moves, Action-Response <p>Comparative Advantage Inflection Points, Analogies Mission, Vision; Business, Corporate Strategy</p>
7/9	<p>Learning Objectives:</p> <ul style="list-style-type: none">• Understand how to analyze strategy case <p>Key Concepts:</p> <ul style="list-style-type: none">• Strategic analysis, alternative solutions
7/10	<p>Learning Objectives:</p> <ul style="list-style-type: none">• Understand how to analyze strategy case: Preview Case. 1 <p>(Deadline for Team formation)</p>
7/11	<p>Case 1. QVC</p> <p>The purpose of the QVC case is to give you the opportunity to recognize the concepts from Chapter 1 in a specific industry and organizational context. Our case discussion should begin to make the concept of competitive advantage more tangible. Also, you should start to get a sense of the kinds of data that are useful in internal and external analysis and how it can inform a firm's strategy.</p> <p>Case Discussion questions:</p> <ul style="list-style-type: none">• What is QVC's competitive advantage?• Be prepared to discuss your assessment, and provide illustrative data to support your view. <p><i>Turn in a copy of your outline 24 hours before the class (for participation points).</i></p>



7/12	<p>Chapter 2: Analyzing the External Environment of the Firm: Creating Competitive Advantages (Read DELM Chapter 2)</p> <p>Learning Objectives:</p> <ul style="list-style-type: none">• Identify what an industry is, and understand the differences between industries, markets, and market segments• Gain proficiency in analyzing industry structure and evaluating its implications for strategic moves and firm profits• Appreciate how the macro-environment can affect competitive strategy <p>Key Concepts:</p> <ul style="list-style-type: none">• Macro-environment, Stakeholders• Industry, Five Forces (Rivals, Substitutes, Entrants, Buyers, Suppliers)
7/13	<p>Case 3. Jetblue Airline</p> <p>The Jetblue Case provides a very good start for you to understand the external environment, i.e., the general environment including the legal factors such as the deregulation of the airline industry, the economic factors, the technological factors, etc., and how they affect the airline industry. It also helps you get a good sense of industry dynamics by applying the Porter's five forces analysis framework.</p> <p>Case Discussion Questions:</p> <ol style="list-style-type: none">1. What is the general environment of airline industry?2. Do you think airline industry is an attractive industry? Use the five forces framework to justify your argument.3. How did the industry structure change in recent years (since 2006)? Has it become more or less attractive as a result?4. How should the Jetblue respond to these changes? <p><i>Turn in a copy of your outline 24 hours before the class (for participation points).</i></p>
7/16	<p>Chapter 3: Assessing the Internal Environment of the Firm (Read DELM Chapter 3)</p> <p>Chapter 4: Recognizing a Firm's Intellectual Assets: Moving beyond a Firm's Tangible Resources (Read DELM Chapter 4)</p> <p>Learning Objectives:</p> <ul style="list-style-type: none">• Begin thinking about how to identify resources and capabilities, and



	<p>how to evaluate their contribution to a firm's competitive advantage</p> <ul style="list-style-type: none">• Distinguish resources, capabilities, competencies• Identify and describe what constitutes a resource, capability, competence• Evaluate how each contributes to sustained competitive advantage <p>Key Concepts:</p> <ul style="list-style-type: none">• Management principles• Seven S's• Value chain• Resource-based view (RBV)
7/17	<p>Case 8. Claire's Store</p> <p>The Claire case gives you an opportunity to apply the value-chain (Porter, 1985) and resource-based VRIN analysis (Barney, 1991) to enrich your understanding of that firms can enhance their competitive advantage through effective leverage of their resources</p> <p>Case Questions:</p> <ol style="list-style-type: none">1. What are Chaire's most valuable resources and capabilities? Explain what makes them valuable.2. Which of its resources and capabilities are best protected from imitation? Substitution? <ul style="list-style-type: none">• <i>Turn in a copy of your outline 24 hours before the class (for participation points).</i>
7/18	Mid-Term Review
7/19	Mid-term Examination (Chapter 1,2,3, 4, cases and class discussions)
7/20	<p>Introduction of Global Business Strategy Simulation Game (GLO-BUS)</p> <p>(Read GLO-BUS Participant's Guide) (Deadline for letting me know case preference for group case write-up and presentation)</p>
7/23	<p>GLO BUS working session (Complete GLO BUS Practice Round 1 and Online Quiz 1)</p>



7/24	<p>Chapter 5: Business-Level Strategy: Creating and Sustaining Competitive Advantages (Read DELM Chapter 5) (Complete GLO BUS Decision Round 1)</p> <p>Learning Objectives:</p> <ul style="list-style-type: none">• Analyze generic sources of advantage (cost, differentiation, scope) and conduct market segmentation analysis• Identify strategic groups and understand their relevance to formulating and implementing strategy• Develop an understanding of the how timing of moves affects sustained competitive advantage <p>Key Concepts:</p> <ul style="list-style-type: none">• Positioning Cost, Differentiation,• Market Segmentation, Scope, Strategic Groups• Timing, First Mover Advantage• Game Theory, Simultaneous, Sequential games
7/25	<p>Case 4. Nintendo's Wii</p> <p>The case has been written to give you an integrated view of strategic management. After reading the case, you should be able to understand external environment analysis, internal resource analysis and firm's business-level strategies coherently.</p> <p>Case Questions:</p> <ol style="list-style-type: none">1. What are Nintendo's most valuable resources and capabilities? Explain what makes them valuable.2. What is the external environment of Game Console industry?3. What are the business-level strategies that Nintendo used? <ul style="list-style-type: none">• <i>Turn in a copy of your outline 24 hours before the class (for participation points).</i>
7/26	<p>Chapter 6: Corporate-Level Strategy: Creating Value through Diversification (Read DELM Chapter 6)</p> <p>Learning Objectives:</p> <ul style="list-style-type: none">• Understand the difference between business and corporate strategy, integration versus diversification• Learn about economic and other motives for integration and diversification• Recognize different forms of organization (e.g. vertically or horizontally integrated, related vs. unrelated diversification, long-



	<p>term relationships such as alliances) and Evaluate their advantages and disadvantages</p> <ul style="list-style-type: none">• Appreciate the trade-offs associated with diversification by merger & acquisition versus internal growth• Determine whether / when these are likely to be attractive moves for specific firms <p>Key Concepts:</p> <ul style="list-style-type: none">• Corporate strategy Relatedness, Portfolio management• Horizontal integration Diversification• Vertical integration Transaction costs• Core competence, Synergies, Scope economies
7/27	<p>Chapter 6: Corporate-Level Strategy: Creating Value through Diversification (Read DELM Chapter 6) (Complete GLO BUS Decision Round 2)</p> <p>Learning Objectives:</p> <ul style="list-style-type: none">• Understand the rationale of M&A and alliance• Understand the cons and pros of M&A and alliance <p>Key Concepts:</p> <ul style="list-style-type: none">• Mergers & Acquisition Strategic Alliance
7/30	<p>Case 6. World Wrestling Entertainment</p> <p>The WWE case gives you a comprehensive view of company internal resources, external environment and the interplay of both internal and external environment with corporate-level strategy.</p> <p>Case Questions:</p> <ol style="list-style-type: none">1. What are WWE's resources? How valuable are these resources?2. What is WWE's diversification strategy? Do you think it is successful? Justify your argument. <ul style="list-style-type: none">• <i>Turn in a copy of your outline 24 hours before the class (for participation points).</i>
7/31	<p>Chapter 10. Creating Effective Organizational Designs (Read DELM Chapter 10) (Complete GLO BUS Decision Round 3)</p> <p>Learning Objectives:</p>



	<ul style="list-style-type: none">• Identify different types of organizational structures• Understand the advantage and disadvantage of different organizational structures• Develop an understanding of linking organizational structure to strategy <p>Key Concepts:</p> <ul style="list-style-type: none">• Structure• Boundary-less organizations
8/1	<p>Chapter 9: Strategic Control and Corporate Governance (Read DELM Chapter 9) (Complete GLO BUS Online Quiz 2)</p> <p>Learning Objectives:</p> <ul style="list-style-type: none">• Understand the need for strategic control• Identify the distinction between contemporary versus classic control systems <p>Key Concepts:</p> <ul style="list-style-type: none">• Strategic Control• Behavioral control
8/2	<p>Case 4 Johnson & Johnson</p> <p>(Complete GLO BUS Decision Round 4) (Deadline for turning in group case write-ups)</p> <p>This case helps you understand the key issue of company's growth strategy through diversification. Meanwhile, this case also provides a useful context for you to understand the issues that are related with effective organizational structures as well as how structures can be fitted with strategy.</p> <p>Case Questions:</p> <ol style="list-style-type: none">1. What kind of diversification does J&J pursue?2. What kind of organizational structure does J&J use?3. What are the cons and pros of the structure J&J employ? <ul style="list-style-type: none">• <i>Turn in a copy of your outline 24 hours before the class (for participation points).</i>



8/3	Final Examination (cover Chapter 5, 6,9,10, cases and class discussions)
8/6	Case Presentation Preparation Day (Complete GLO BUS Decision around 5)
8/7	Deadline for submitting your presentation visual aids (Complete GLO BUS Decision Round 6) (Complete GLO BUS Decision Round 7)
8/8	Course wrap up and summary (Complete GLO BUS Decision Round 8) GLO-BUS Assessment and Presentation Day (Complete GLO BUS Industry Peer Evaluation)
8/9-10	Deadline for submitting your GLO presentation visual aids E-mail “Questions and Answers” sessions

Academic Honesty

Students are expected to maintain high standards of academic honesty. Specifically, unless otherwise directed by the professor, students may not consult other students, books, notes, electronic devices or any other source, on examinations. Failure to abide by this may result in a zero on the examination, or even failure in the course.

Students are also expected to adhere to appropriate scholarly conventions in essays and research papers. This class includes paper assignment(s) in which students must give credit to all outside sources used by means of citations and a bibliography. Failure to do so may result in a zero on the paper assignment, or even failure in the course.

Detailed Discussion of Course Requirements

Materials

The *text* is your introduction to the course concepts and analytical frameworks. Reading the chapters before I discuss them in class will greatly enhance your absorption of the material. We selected this text because it provides a simple roadmap to link the concepts central to strategic management, and offers a solid overview of the fundamental frameworks managers use. Specifically, the text is organized around the view that internal and external analyses provide critical inputs to managerial decisions, and that strategic decisions can be understood as the ‘moves’ a firm can make to achieve sustainable competitive advantage. Major analytical frameworks include the five forces model of industry structure, generic strategies, value chain, and resource-based theory. I will post



supplementary material (articles, examples, elaboration of the frameworks) when I think additional details will facilitate and enhance your application of the frameworks.

Participation: In-Class Discussion

I will record participation in each class. Participation is a critical part of the learning process. Through your contributions you can either bump up a close call or lost a top grade that was almost “in the bag”. The more frequent you participate in the discussion, the easier for me to remember your name. To help the instructor learn each student’s name and grade “this part of participation and contribution” as fairly as possible, I will prepare and bring a “**nameplate**” to each class. Please make sure you have your nameplate every time you attend the class.

You are asked to hand in **an outline** (1 page double space, 12 size font, electronic only) of your thinking on the discussion questions for all the cases except the one for group write-up 24 hours before the class (So in total, you should give me 6 case outlines). All these questions can be found in the course schedule. These also contribute to your participation grade.

Case Assignments

One case write-up and one case presentation comprise this portion of your final grade; 1 assignment is group presentation (worth 15%) and 1 is group write-up (worth 10%). The precise requirements for each assignment are described below. All caseworks are to be done in groups of either 4 or 3 people. Your team will have the rights to select the cases that we **have NOT discussed** in class. Please let me know which case your teams want to present.

For each case/question, you should use the relevant concepts and frameworks covered to date. There is no right answer to any case/question, but there are better justified arguments. The frameworks are essential for justifying your understanding of the industry context, a firm’s alternatives, and identifying its best course of actions. In addition, they will point you toward specific logics for developing your arguments. Typical group case write-ups are no more than **8 pages (double-spaced, 12 size font, one-inch margins)**. Feel free to use graphs, figures, and data to demonstrate your rigor and creativities. **Please do not stretch an assignment to meet an upper limit!** A well-written case depends on whether you participate in the case discussion with good preparation. Please turn in your group case write-ups in time. For specific due dates, please check your course schedule.

Below are the grading criteria for group case write-ups.

- Clarity and logic of writing (30 points)
- Practicability of recommendation (30 points)
- Rigor of Analyses (40 points)

The order of your presentations will be determined by lottery. The group case presentations are judged by both me and other teams. For example, if group 1 presents case, all the other groups will provide assessments and evaluations. The total average group evaluations will be then weighted for 50% together with my evaluation in determining your groups’ final presentation scores.

Group case presentations are employed to test your oral presentation skill. Your groups should demonstrate the ability to integrate the knowledge that we’ve learned across the whole course. Meanwhile, I would strongly encourage you to search for additional data/information through school library and other external sources for your group presentations. Therefore, I suggest your



groups to get this out of the way early in the semester. Group presentations should be approximately 15 to 20 minutes in length with approximately another 5 to 10 minutes discussion and question period.

Here are the issues that I expect to be included in your group presentations

1. Brief overview of the case, key issues and problems involved
2. What are the external opportunities/threats faced by the organization (using Porter's five force framework)?
3. Identify companies' strengths and weaknesses
4. Pick up a major move and analyze it (is it a good or bad move? Why?)
5. Provide your recommendation for the future development of the organization.

Below are the grading criteria for group case presentations. I will distribute a grading sheet for each team on the presentation dates.

1. Comprehensiveness of the presentation. (30 points)
 - Are all the issues well and adequately addressed?
2. Rigor of Analyses (45 points).
 - Please do not waste time restating the facts given in the case
 - Your arguments should be well established on evidences (i.e., provide data to support your arguments).
 - Are data sources quoted?
3. Practicability of recommendation (30 points)
 - Is your recommendation realistic?
 - How to implement your recommendation?
4. Quality of Q&A (15 points)
 - How your handle others' questions?
 - Can you defend yourself?
5. Overall clarity of your presentation (15 points)
 - Can you keep your logic consistent?
 - Can you communicate your ideas and solutions in an effective way?
6. Creativity of your presentation (15 points)
 - Innovative solution/recommendation
 - Creative presentation style (using of figure, graphic, etc)

GLO BUS

GLO-BUS quizzes account for 5% of the final grade. There will be two open book quizzes (2.5% each) covering the simulation. The deadline for completing each quiz is in the course schedule. Although the quizzes are open book it is advisable to prepare for them as they are timed.

GLO BUS Simulation Performance accounts for 10% of the final grade. As performance is a multifaceted construct, the performance of each team in this simulation will be determined using a variety of measures as described in the GLO BUS Participant's Guide.



GLO BUS Oral Presentation accounts for 5% of the final grade. Each team will make an oral presentation to the class documenting how the team has applied strategic management concepts to operating its simulated company. In particular, the assessment should address:

1. Brief overview of the key issues in this environment, your strategy and problems involved
2. Describe your business-level and corporate-level strategy
3. Identify the type of organization structure used by your organization and explain why you use this structure? What is the advantage and disadvantage of this structure?
4. Evaluate your company's success or lack thereof at implementing its strategies
5. What kind of change can you envision that will happen in this industry in the next future years? If so, what will be your recommendation regarding how to cope with these changes?

The grading policy for GLO BUS Oral Presentation will be the same as case presentation described above except GLO BUS has 50 points in total. Below are the grading criteria for GLO BUS presentations. I will distribute a grading sheet for each team on the presentation dates.

1. Comprehensiveness of the presentation. (5 points)
2. Rigor of Analyses (10 points).
3. Practicability of recommendation (10 points)
4. Quality of Q&A (10 points)
5. Overall clarity of your presentation (10 points)
6. Creativity of your presentation (5 points)

Each team will make a formal presentation of its strategy and performance assessment. All members of a team are required to participate in the GLO BUS Assessment Oral Presentation. GLO BUS presentations should be approximately 10 minutes in length with approximately another 5 minutes discussion and question period.

Again, the order of your presentations will be determined by lottery. The GLO BUS presentations are judged by both me and other teams. For example, if group 1 presents case, all the other groups will provide assessments and evaluations. The total average group evaluations will be then weighted for 50% together with my evaluation in determining your groups' final GLO BUS presentation scores.

Case Presentation & GLO BUS Presentation

To achieve good performance in oral presentation, you should practice and time the presentation before you present to the class. You are encouraged to make creative use of your presentation time. For example, you could use transparencies, videos, slides, posters, product samples, and audience participation to generate and sustain interest in your topic. You should prepare the presentation as if you were presenting to a group comprised of multiple stakeholders. Thus, you should be concerned about keeping their interest and communicating clearly and effectively. Although it is perfectly appropriate to refer to prepared notes during your presentation, do not read your presentation directly from a prewritten script. **At the start of class, the team should submit to the instructor a copy of visual aids to be used for the presentation. Please number the pages clearly on the bottom of the page and staple all pages together. DO NOT enclose the pages in a plastic cover or binder.**



Middle and Final Exams

Exams are designed to test your basic knowledge you've learned from the text and our class discussion. They will consist of multiple choice questions and short essays. Some questions test whether you know what a concept means - i.e., they are definitional. Most, however, ask you to apply the concepts in a simple industry or organizational context. In order to perform well on the exams, you will have to do more than simply read the text. Pay close attention to the examples in the text, and if you do not understand them, be sure to ask questions in class. As much of our class discussion involves applying the frameworks and concepts, class participation should directly affect your exam grade. Each exam contains 30 multiple choices and 3 essay questions and should be finished within 75 minutes. Exams are open books, open notes, and close mouths. There will be no make-up exams.

Group formation: I encourage you to take advantage of the diversity of perspectives and skills in your class. All of your colleagues are here because they are conscientious students with keen desire to excel. Team members with diverse backgrounds and international experience can learn from each other and enhance the odds to develop an excellent project. Group size is either 3 or 4 people. Group members should differ by at least one dimension. Possible dimensions include but not limited to gender, major, interest, hometown, etc.

Peer evaluation: In the current corporate world, team spirit is highly appreciated and rewarded. Therefore, it is essential for you to develop team work skills through this course. The group case assignments (write-ups and presentations) and GLO BUS are good ways to develop these skills. I expect that each team member can contribute equally to the group case write-ups, GLO BUS final performance and presentations. Meanwhile, group members have the collective rights to determine whether to kick "the weakest link" out of the team. I generally do not expect that this will happen. However, under such a situation, I need a request in writing with signatures from all group members. Individuals who are eliminated by their group members will **receive zero score on their first group case write-up** and should be responsible by themselves for searching a new group. Being eliminated by group member is not a good thing as this will signal an individual's bad reputation in team work and cooperation, which may affect individuals' future group searching. Therefore, a good strategy is to contribute as much as you can in your current group, improve and shape your communication and interpersonal skills.