

BA 449: STRATEGIC MANAGEMENT / BUSINESS POLICY (Spring 2007)
Section P: T/Th 11:30-12:50 Wohlers Hall 130
College of Business, University of Illinois at Urbana-Champaign

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INTRODUCTION AND COURSE OBJECTIVES

Strategic management deals with those decisions that determine future directions of the organization and effective implementation of the directions chosen. Strategic management addresses the organizational structure, resources & capabilities, and strategic positioning of the firm to create, capture, and sustain competitive advantage. In this course, you will develop your skills at:

- understanding how firms gain and sustain competitive advantage
- analyzing strategic business situations and formulating strategy
- implementing strategy and organizing the firm for strategic success

Success will depend not only on the soundness of a strategy, but also on its effective implementation through appropriate organizational and administrative choices. Our concerns are strategic decisions, and with both the *content* of those decisions and the *processes* by which general managers position the businesses and allocate resources in the face of both uncertainty and competition. The course introduces and employs various tools, concepts, and analytical frameworks that enhance our ability to define and analyze strategic problems and to identify sources of competitive advantage from both an industry and firm-level perspective.

This course focuses on key issues in *formulating* and *implementing* strategies to create and maintain a sustainable competitive advantage. By focusing on a firm's strengths and weaknesses, we analyze the impact of change and other important environmental forces on the unfolding opportunities for establishing and sustaining competitive advantage. We will emphasize pragmatic and action-oriented general management skills. However, a considerable body of theory has evolved within the disciplines of strategy, economics, finance, marketing, organization theory, and international business that have salient implications for general management. Thus, the course will emphasize both cases and lecture/discussion sessions.

The class has two distinct components. In the first half of the semester, we will study the theory and practice of strategy. In the second half of the semester, case presentations will provide you with simulated real world experience and practice in integrating the material we studied in the first half of the semester.

Strategic management, as much as any course, deals with the world of experience. The world of experience is not a world of certainty. Therefore, within the classroom, reasonable people (with different experiences) will view management differently. This is a healthy tension. Management, whether discussed in the classroom or discussed within a firm involves "making sense together." The very idea of *making* sense involves a creative process and is personal (subjective). Conjectures and (subjective) knowledge based on your personal experiences are highly valued within the conversation of this class. Creativity will be rewarded in your participation grade, your individual papers, and your group projects. This course also rewards the hard worker who has the ability to listen and think critically. The course will provide a great deal of material and will require that you process the material. The two exams will test your ability to *understand*

the material in the textbooks, readings and class notes. *Please note that the evaluation of your case analyses and the exams measure different skills.*

THE RELATIONSHIP OF STRATEGIC MANAGEMENT TO OTHER BUSINESS COURSES

Up until this time, most of your business education has emphasized a specialized, functional perspective of business situations. In accounting, you have concentrated on how to identify and produce the information necessary to manage and guide organizations effectively. In finance, you have been concerned with understanding how capital markets work and, in turn, affect the financing of a company's on-going operations. In marketing, the focus has been on how to analyze, shape, and address the needs of consumers as well as how to manage a company's marketing efforts. In operations management, the focus is on how to organize the production activities of a firm so it is able to produce quality goods and services at an attractive price. Finally, courses on the management of human resources have been concerned with the effective development and management of a company's human assets. All of these functional disciplines play a critical role in the success of a company, *but how do they fit together?*

In this course, we integrate these views together by taking a unique perspective, that of *the situational problems of the general manager*. The general manager's job is to diagnose what is critical in complex business situations and to find realistic solutions to strategic and organizational problems. To solve problems, the general manager must be capable of understanding and using the knowledge from each of the organization's functional areas to provide a "total business" (systems) perspective on issues pertaining to strategic management. In addition, the general manager must be able to analyze competitive situations within industries in order to understand the sources of the firm's competitive advantage. We see strategy as enabled and constrained by the underlying economic and political conditions that prevail in an industry or country, as well as by the resources available to management. In today's business environment, whether you are a newly hired employee or the CEO of the company, you must be capable of thinking like a general manager.

TECHNIQUES FOR LEARNING STRATEGIC MANAGEMENT

To accomplish our objectives, we will use a variety of learning techniques: lectures, outside of class assignments, readings, written reports, presentations, and most importantly, class discussion of case studies.

Case Analysis

Strategic thinking and analysis are best learned through practice. The cases we will study are about real world business situations. A case is designed to provide you with data on real-life managerial problems, and case analysis is very useful as a simulation of actual managerial activity. The cases provide an opportunity to both apply the concepts we discuss in class as well as to further develop our ability to think about business strategy. How much you get out of the case depends on your preparation and active participation. Each of us must be fully prepared for each class, and there will be assignments

throughout the term to help focus our preparation. *Everyone* is expected to participate effectively in each class to comment, question, and analyze.

Objectives of Case Analysis:

- [1] Apply frameworks from class to the complicated problems of actual businesses.
- [2] Diagnose strategic issues, evaluate strategic alternatives, and formulate workable plans of action. Learn by explaining your analysis to other members of the class.
- [3] Listen to and learn from the insights of other students.

Group Work

Discussing cases and preparing analyses outside of class helps to deepen your knowledge about strategy. Thus, group work will be essential for weekly case preparation as well as the major group project. Developing effective group skills is a critical part of the learning process. It is a good idea to have students with different areas of expertise in the group to facilitate the exchange of a variety of managerial viewpoints and to help guard against “groupthink.” To help bring about this internal balance within each group, I will divide the class into groups (with approximately 5-6 persons in each group) by the third session.

Exams

There will be two exams during the semester. The exams will test both your mastery of the concepts in isolation and your ability to apply them.

Individual Participation

Active participation in the class is an essential part of the learning experience. You are expected to be ready to contribute both to case discussion and to discussion during lecture sessions.

EXPECTATIONS AND POLICIES

Preparation

I will assume that you have read everything assigned. Even if you are not presenting a case, please be sure to read it carefully, as it will be the basis of class discussion. It is especially valuable if you come with questions about the readings. Poor preparation is a disservice to your fellow learners and will negatively impact your participation grade. If you can't do the pre-class quizzes discussed below, you aren't adequately prepared for class, but your preparation should not be limited to completing the quiz.

Class participation

Most of the learning in our class will occur through discussion. Therefore, we need everyone's active participation. Meaningful participation obviously requires having carefully read and thought about the day's material, but that is *not* enough. You also need to speak up. Brilliant insights are, of course, always appreciated, but you can also contribute by asking questions, politely disagreeing with me or another student, or following up on a fellow student's comments with further insights or evidence. There are usually many valid ways of looking at any issue we study, so don't worry about being "wrong".

Homework

One purpose of homework assignments is to enhance class discussion. Therefore, assignments must be turned in via Illinois Compass *before class begins* on the day they are due. You should bring a copy to class for your own reference during discussion. I will *not* accept assignments in class, in my mailbox, under my door, or via e-mail. There is no credit provided for late assignments.

Attendance and punctuality

You cannot contribute to our learning if you are not in class. At the same time, I understand that you have other responsibilities, e.g., job-hunting. To balance these pressures, you have *two* excused allowances. You can use these as you wish: job interviews, family weddings, mental health days, Cubs' game, whatever. You are still responsible for turning in your homework via Illinois Compass *before* the class session you will miss. *Please note that I will not make arrangements for homework after the fact.* For each absence beyond these two, 10 points will be deducted from your individual participation grade. You may not use an excused absence on the day of an exam.

In the event of illness, please bring a note from either the Emergency Dean or the Health Center to the next class session.

Please be on time, especially for the case discussion sessions. If lateness becomes an issue, I reserve the right to treat a class for which you are late as a missed class, leading to the deductions noted above.

Course Organization

Your class assignments are shown in the syllabus attached, and while subject to change, this syllabus should guide your work planning for the course.

Technology

Laptop computers are wonderful tools and some people prefer to take notes on them. On the other hand, they are also often a distraction for both the individual using them and other students. I will allow the use of laptops in class, except during case discussion. That said, use of laptops in any class session is a privilege and not a right. Laptops are to be used for class activities only. If you are seen surfing or e-mailing during a class, you will lose laptop privileges. I reserve the right to alter this policy and necessary over the semester.

Cell phones are simpler. They shouldn't go off during class. Never talk on a cell phone during class. If a call is so important that you have to leave the room to talk on the phone, pack up your stuff and leave for the day.

Illinois Compass

We will use Illinois Compass for this class. In particular, you will turn in assignments and get them back via Compass. Also, I will occasionally post articles or exercises for the next class period on Compass. You are responsible for checking Compass sometime after 4 p.m. the day before class to see if I have posted anything. If I have, please print it out and bring it to class.

Suggestions

If you have special inquiries or constructive suggestions concerning the progress of the class, please feel free to talk to me. You can make an appointment by telephone, e-mail, or simply leave a message in my mailbox in Wohlers 339.

INSTRUCTOR BIOGRAPHY

I particularly like teaching BA 449, because the mix of theory and practice matches my background. From 1994 to 1996, I directed research on Japanese business practices and government policy at the Washington, D.C., offices of the law firm Dewey Ballantine. In this capacity, I founded and managed a team of researchers supporting clients including Eastman Kodak, the Semiconductor Industry Association, and firms in the steel, chemical and electronics industries. Our work was profiled by the *Washington Post* (“‘Dream team’ helps Kodak make its case,” June 26, 1995) and by *Wall Street Journal* writer John Fialka in his 1997 book, *War by Other Means*.

In previous positions, I helped U.S. aerospace researchers gain access to leading-edge technology from throughout the world as an international policy analyst for the National Aeronautic and Space Administration’s Scientific and Technical Information program. In this position, I supported negotiations with government agencies and aerospace companies in Japan, Australia and India and interacted with U.S. industry and various U.S. government agencies. As Japanese information specialist for SCAN C2C, Inc., I performed research on Japanese technology and commerce for clients including General Electric, IBM, Ford Motor Company, and the U.S. Government. Other consulting and executive education clients have included General Motors, the Japan Technology Evaluation Center, Air Products & Chemicals and Hewlett-Packard.

Prior to joining the faculty at Illinois in 2001, I earned a Ph.D. in international business and a Masters of applied economics degree at the University of Michigan. I previously earned an M.S. in library and information science from the University of Illinois and a B.A. in Japanese studies and mathematics from Earlham College. I also studied advanced Japanese at Middlebury College’s Summer Language School.

My research interests include buyer-supplier relationships, the management of innovation in industries including flat panel displays and personal computers, and competitive intelligence.

I’m lucky to have a wonderful wife and two great kids, ages five and eight. In my spare time, I enjoy weight-lifting, eating good food, and biking.

COURSE TEXTS AND CASES

Textbook: Grant, Robert M. (2002). Contemporary Strategy Analysis: Concepts, Techniques, and Applications. Malden, MA: Blackwell. (TIS Bookstore)

Reading: Porter, Michael (1996). "What is Strategy?" Harvard Business Review, (November-December): 61-78. (T.I.S. bookstore, BA 389 *Case Readings packet*).

BA 449 (Sessions A, B, E, P, Q) Supplemental materials packet (TIS Bookstore)

Cases: Business Cases (T.I.S. bookstore, BA 449 *Case Readings packet*).

Cases for BA 449 (contained in BA 449 Case Packet):

Case	(#)	Source
Wal-mart Stores in 2003	(1)	9-704-430
Cola Wars Continue: Coke and Pepsi in 2006	(2)	9-706-447
The Ready-to-Eat Breakfast Cereal Industry in 1994 (A)	(3)	9-795-191
Starbucks	(4)	9A98M006
Jet Blue Airways: Starting from Scratch	(5)	9-801-354
Lexar Media	(6)	9-805-062
Haier: Taking a Chinese Company Global	(7)	9-706-401
PepsiCo's Restaurants	(8)	Case 9-794-078
Delta Air Lines (A): The Low Cost Carrier Threat	(9)	9-704-403
Pharmaceutical Industry faces AIDS in Africa	(10)	9-702-049
Nucor at a Crossroads	(11)	9-793-039
The Walt Disney Company: The Entertainment King	(12)	9-701-035

Strategic Inflection: TiVo in 2003 (A)	(13)	9-704-425
Google, Inc.	(14)	
Atlas Electrica: International Strategy	(15)	9-704-435
Progressive Insurance	(16)	9-602-175
Ice-Fili	(17)	9-703-516
iPod vs. Cell Phone	(18)	9-707-419
P&G Japan	(19)	9-303-003
Neopets, Inc.	(20)	9-802-100

COURSE REQUIREMENTS AND GRADING

Individual case assignments (3 cases; 50 points each)	150 points
Exams (125 points and 175 points)	300 points
Participation	100 points
Cash Flow Analysis for Nucor	40 points
Group mini presentation	40 points
Delta case	50 points
Practicum (Outline 25; Slides in advance 25; Draft paper 25; Presentation 100; Final paper 100; Top management team 50; Peer evaluation 25)	350 points
Total	1030 points

The final grading schedule is based on your points out of 1000, as described below. Note that there are 30 “extra credit” points built in, reflecting the challenging nature of the course. You may keep track of your grades during the semester via Illinois Compass.

FINAL GRADING SCALE

<u>Course Points</u>	<u>Grade</u>	<u>Honor Points</u>
980 - 1000	A+	4.00
930 - 979	A	4.00
900 - 929	A-	3.67
870 - 899	B+	3.33
830 - 869	B	3.00
800 - 829	B-	2.67
770 - 799	C+	2.33
730 - 769	C	2.00
700 - 729	C-	1.67
650 - 699	D	1.00
Below 650	F	0.00

EXPLANATION OF ASSIGNMENTS

Individual case assignment (150 points)

Case #1 Wal-Mart “Strategic Coherence” Map (50 points)

The Michael Porter article in the Coursepack (Porter 1996) provides a graphical description of Southwest Airlines activity system in order to demonstrate the coherence of its strategy. Draw a similar strategic coherence map for Wal-Mart. Think carefully about how all of Wal-Mart’s “details” in their activity system are complementary and reinforcing for their overall business strategy. Identify which activities are major and which are minor. Only link together activities that reinforce each other to a *significant* degree.

Case #2 Cola Wars Five Forces (50 points)

The Soft Drink Industry assignment asks you to provide an industry analysis using Porter’s 5-forces. There are three parts to the assignment. (1) For each force, answer whether the force is low, medium, or high in intensity. Cite key evidence from the case for your answer—don’t list everything, just the most important point or two that supports your answer. (2) Think dynamically. What force is changing the most? Is it getting increasing or decreasing? Provide evidence from the case for your answer. (3) On the basis of this analysis, is this an attractive industry to be in?

You should *not* do any graphics for this. Just type up your answers. To encourage conciseness, there is a limit of **one page** for this assignment.

Case #4 Starbucks Value Chain (50 points)

Discuss Starbucks’ value chain. In particular, what resources and capabilities does Starbucks have at each step of the chain? Do each of these provide sustainable competitive advantage? Why or why not?

You should *not* do any graphics for this. Just type up your answers. To encourage conciseness, there is a limit of **two pages** for this assignment.

In-class exams (125 and 175 points)

Exam 1	(125 pts)
Exam 2	(175 pts)

Both exams will be closed-book and closed-notes.

Individual Participation (100 points)

Active participation in the class is an essential part of the learning experience. We will be using cases and you must be prepared to discuss these cases. Meaningful participation means making a contribution to our discussion, not merely talking, and it does not mean repeating case facts or simply agreeing with what others have already said. Case discussion demands that we listen carefully to the statements of others, ask them to explain or defend controversial points, and expect to defend our judgments as well.

When I determine the final participation grades, I generally consider two factors: regular participation and number of stand-out comments. You can get partial participation points by posting questions and comments on the discussion board before and immediately after class. Before class, use the board to post interesting questions or insights about the case. Use these as a draft for points in class, and don't be afraid to print them out and bring them to repeat for our discussion. Good synthesis or extension of our discussion after class also contributes to participation if you post it by the night after class. Interesting comments long after the discussion are appreciated, but will not count towards participation.

Please do not confuse attendance with participation. While on-time attendance is important, active participation in the class discussion is evaluated separately.

Group assignments

Nucor: Cash Flow Assignment (40 points)

In this assignment, your team will advise Ken Iverson, Nucor CEO, on whether to adopt SMS's CSP process. In your memo to him, please address the following issues.

1. Cash Flow Analysis (10 points)

The key question for this section is “*By its own investment criterion*, should Nucor undertake this investment?” Don't worry about what traditional NPV or DCF calculations would suggest. That's not what Ken is interested in.

Using the Excel spreadsheet provided as a template on Illinois Compass to calculate the cashflow Nucor could expect if it adopted SMS's CSP process.

Most of the critical data is already in the spreadsheet, drawn primarily from Exhibits 12A and 12B. Please adhere to the following assumptions and conventions:

- Don't change any of the figures I have input.
- Use 5.3% as the growth rate for the price of steel, not the historical 6.84%.
- Assume the entire \$280 million construction cost is incurred in 1986.
- Depreciate the factory equally over 10 years (1989-1998). The spreadsheet includes 12 years, of which two are while the factory is under construction (1987, 1988). I want you to start in 1989, when the plant comes on line, and assume it loses all value over the next 10 years.

- Note that in applying its investment criterion, Nucor ignored start-up expenses and working capital costs. Thus, in figuring the assets of the minimill in 1989 or later, those expenses need to be *added* to the asset base before calculating ROA.

2. Scenario analysis (10 points)

Your recommendation in Part 1 relies on a set of assumptions. Identify a change that might occur in one central assumption and calculate how your conclusions for Part 1 change given that assumption. Drawing on the case, explain why the new scenario is important and whether you consider it likely or not.

3. Strategic analysis (10 points)

Your analysis above focuses on the spreadsheet. Identify an important strategic (outside the spreadsheet) issue that management should consider. Discuss the implications of this issue for the decision.

4. Conclusion (10 points)

In light of all of the analysis above, should Nucor adopt the CSP process? Why or why not? Do not just repeat the three conclusions from above. Help Ken see how they reinforce or contradict each other and why you feel you've correctly identified the most important factor(s).

Group mini-presentation (40 points)

Cases 3, 4, 5, 6 and 7 will be group mini-presentations. Each group is responsible for covering an assigned aspect of the case within 15 minutes, leaving 5 minutes for questions from the class. The instructor will take the last remaining time for class discussion about the case.

RTE Cereal: Groups 1 & 2

Group 1: Please present the important barriers to entry in the RTE industry. Be sure to provide evidence for your assertions. Overall, would you describe the threat of entry as low, medium or high?

Group 2: Please present a Five Forces Analysis of the RTE cereal industry. You do *not* need to discuss threat of entry, since group 1 is doing so. Be sure to provide evidence for your assertions.

Jet Blue: Group 3

What generic strategy is Jet Blue pursuing? Be sure to provide evidence for your assertion. What are the two or three most important reasons Jet Blue has chosen this strategy?

Lexar: Group 4

Please discuss the pluses and minuses of Lexar focusing exclusively on the digital photography industry. Be sure to apply appropriate concepts from the lecture in your analysis.

Haier: Groups 5 & 6

Group 4: Using Porter's diamond of national advantages, please discuss what advantages or disadvantages being a Chinese producer of appliances provides. In all, would you expect China to produce strong competitors in this market?

Group 5: Please identify which of the four means of organizing a firm's global activities (e.g., transnational) you think Haier is using and give evidence. For each of the four, please discuss what makes it appropriate or inappropriate for Haier. Lastly, do you think Haier picked the right strategy? Why or why not?

PepsiCo Restaurants: Groups 7 and 8

Group 7: Discuss whether PepsiCo should acquire California Pizza Kitchen.

Group 8: Discuss whether PepsiCo should acquire Carts of Colorado

Delta: Mini-integrated case (50 points)

This assignment is meant to give you a "dry run" at the practicum paper. In no more than three pages (11 point text, 1 inch margins all around), identify the key strategic issue Delta is facing and propose an appropriate strategic response. Be sure to use the tools we've discussed as appropriate. You may have up to three pages of additional graphics or tables.

Practicum (350 points)

Preliminary outline	(25 points)
Advance copy of slides	(25 points)
Group Presentation for Primary Case	(100 points)
Draft paper	(25 points)
Final Paper on Primary Case	(100 points)
Top Management Team	(50 points)
Peer Evaluation	(25 points)

In this exercise, your group will take the role of a senior consulting team that has been brought in by top management to help shape the firm's ongoing strategy. The case document represents the fact gathering done by a group of more junior consultants. You are responsible for (a) identifying the key strategic issue facing the company per the case, (b) identifying and assessing strategic responses open to the corporation and (c) providing specific recommendations with a supporting plan of action. It is critical that you provide evidence and sound reasoning throughout.

The output of this exercise will be a written report and a presentation to the top management, as represented by another student group (see below). Along the way, there are several interim products, which are listed below in order.

Outline of Presentation and Paper (25 points)

An outline for the presentation and paper that includes the main points and separate areas of analysis that support these points. The outline should identify the team member(s) primarily responsible for each section and a timeline for completing each and the planned process for integrating the individual work into a coherent whole. **Due Tuesday, April 10.**

Slides in advance (25 points)

So the top management team has the opportunity to prepare for your presentation, you are responsible for publishing the slides on Illinois Compass by 5 p.m. two days before you presentation, i.e., 5 p.m. Sunday for a Tuesday presentation and 5 p.m. Tuesday for a Thursday presentation. Of course, details of the presentation may change between the draft is published and when it is presented in class. **To ensure adequate preparation time for the top management team, points are awarded as follows:**

By 5 p.m., two days before: 25 points

By 8 a.m., one day before: 0 points

After 8 a.m., one day before: negative 25 points

Group Presentation for Primary Case (100 points)

Beginning class session 25, two teams will present their practicum project in each class. Each group will have twenty-five minutes to present their key conclusions. The Top Management Team may ask questions at any point in the presentation, so you should count on closer to 12 minutes of material. Teams that are not presenting or representing Top Management will be assigned one of the two cases to read and are expected to contribute meaningfully to the 15 minutes of discussion for each case.

Grading criteria include the clarity of the presentation, the degree to which *critical* information is conveyed, the underlying logic, and the ability to address questions from the top management team and others. Your grade will be a weighted average of my evaluation (two-thirds) and the top management team's evaluation (one-third).

Written Draft of Paper (25 points)

A draft of the written paper, meeting the requirements of the final paper, is due the day of the presentation. You will revise this draft based on input from me, the top management team and the class, but the draft should represent a completed work product. **Due by the start of class on the day of Practicum Presentation.**

Final paper (100 points)

I will provide written feedback on your draft paper and presentation. You will revise your draft based on input from me, the top management team and the class. Grading criteria

include clarity, selection of appropriate analytical tools, logic, and soundness of conclusions.

The body of the paper is limited to *12 double-spaced pages in 12 point font*. Supplemental exhibits and figures may be included as appendices. Because of the short length of the paper, I suggest that you use the exhibits section to hold the details of analyses, such as five forces and firm capabilities. The written text can then argue for these interpretations and draw appropriate conclusions and recommendations that arise from them.

You are encouraged to use the various frameworks, concepts, and techniques discussed in the course or otherwise known to you. Remember, however, that these are analytical tools and help in forming judgments about central problems and associated recommendations; they are not ends in themselves. Emphasize your judgments (usually using headings or subheadings) and present data/information from the case, along with supporting analysis, in support of these judgments. Avoid merely rehashing facts from the case—top management has already paid the junior consulting company to compile those! Push yourself to be selective, in order to generate a rigorous and relevant paper—what you leave out can be as important as what you include. The paper should include (within the 12 pages) an Executive summary of one page or less. This summary should focus on identification of strategic issues and recommendations for the strategic response. **Due one week after receiving my feedback on the draft paper.**

Top Management Team (50 points)

Each group will take the part of the firm's top management team during the presentation of one other group. Your job is to ask critical questions of the presenting group. Remember that you've paid \$250,000 for their consulting services and know your company better than anyone else. Note that this requires considerable preparation. No written material needs to be turned in for this part of your task.

In addition to your in-class role, you are also responsible for evaluating the quality of the presentation. Your evaluation will make up 1/3 of the group's grade for the presentation. The presenters will only know the combined grade, not the grade you gave them. I will provide you a form for your evaluation. **This form is due by 5:00 the day of the presentation.**

Grading criteria for the top management team include the quality of your initial questions, your ability to follow-up on your questions, the quality of your evaluation of the presenters, and the tact with which you interact with the presenters. I want intense and polite.

Peer evaluation (25 points)

Members of each group will privately rate other team member's contribution to the team's activities at the end of the semester. **To be completed in the final class period.**

LIST OF CASE ASSIGNMENTS BY GROUP

Group	Mini- presentation	Main case	Top mangement team
1	RTE Cereal	Disney	Progressive Insurance
2	RTE Cereal	Tivo	Ice-Fili
3	Jet Blue	Google	iPod vs. Cell Phone
4	Lexar	Atlas Electrica	P&G Japan
5	Haier	Progressive Insurance	Disney
6	Haier	Ice-Fili	Tivo
7	PepsiCo Restaurants	iPod vs. Cell Phone	Google
8	PepsiCo Restaurants	P&G Japan	Atlas Electrica

To select a group, go to

<https://webtools.uiuc.edu/formBuilder/OrganizationSecure?id=2450941>

by the evening of 1/27/07

WEEKLY OVERVIEW

Tuesday	Thursday
1/16 1: Introduction-Organization	1/18 2: Strategic coherence
1/23 3: Walmart case	1/25 4: Industry analysis
1/30 5: Cola wars case	2/1 6: RTE Cereal case
2/6 7: Resources & capabilities	2/8 8: Starbucks case
2/13 9: Business-level strategies	2/15 10: JetBlue case
2/20 11: **EXAM 1**	2/22 12: Strategic choice under uncertainty
2/27 13: Technology strategies	3/1 14: Lexar case
3/6 15: Global strategy	3/8 16: Haier case
3/13 17: Corporate strategy	3/15 18: Structure and governance
Spring break. Have fun!	
3/27 19: PepsiCo Restaurants case	3/29 20: Work day: No class
4/3 21: ** EXAM 2 **	4/5 22: Delta case
4/10 23: AIDS in Africa case	4/12 24: Nucor case
4/17 25: Disney/TiVo	4/19 26: Google/Atlas Electrica
4/24 27: Progressive/Ice-Fili	4/26 28: iPod/P&G
5/1 29: Neo-pets case	

CLASS SESSIONS AND ASSIGNMENTS

Session 1 Introduction-Organization 1/16

Submit None
Read Grant 1
Present None

- Introduction to the strategic management course.
 - What is strategy and its role in achieving the objectives of the firm?
 - What is sustainable competitive advantage?
-

Session 2 Strategic coherence 1/18

Submit None
Read Grant 2
Present None

Porter's "What is Strategy?"
(Coursepack)

- What are the elements in defining the business?
 - What is strategic coherence? Why is it important?
 - How do measures of performance differ? When are they appropriate?
-

Session 3 Walmart case 1/23

Submit Strategic coherence map for Walmart
Group choice on web
(<https://webtools.uiuc.edu/formBuilder/OrganizationSecure?id=2450941>)
Read Walmart in 2003
Present None

- Application of strategic coherence
-

Session 4 Industry analysis 1/25

Submit None
Read Grant 3
Present None

- What is the Structure-Conduct-Performance Model?
 - How does industry (5-Forces) analysis help you to identify profitability of an industry?
-

Session 5	Cola wars case	1/30
Submit None	Read Cola Wars Case	Present Mini-presentation by teams 1 & 2

- Application of industry analysis
-

Session 6	RTE Cereal case	2/1
Submit Five Forces Table and Summary	Read RTE Cereal case	Present None

- Application of industry analysis
-

Session 7	Resources & capabilities	2/6
Submit None	Read Grant 5	Present None

- What are the drivers of sustainable competitive advantage?
 - How is value-chain analysis related to core competencies?
 - How can a firm prevent core competencies from becoming core rigidities?
-

Session 8	Starbucks case	2/8
Submit Resources and capabilities in Starbucks' value chain	Read Starbucks case	Present Mini-presentation by teams 3 & 4

- Application of resources and capabilities
-

Session 9 Business-level strategies 2/13

Submit **Read** **Present**
None Grant 7, 8 & 9 None

- Low cost strategies
 - Differentiation strategies
 - Value-added strategy
-

Session 10 JetBlue case 2/15

Submit **Read** **Present**
None Jet Blue case Mini-presentation by teams
5 & 6

- Application of business-level strategies
-

Session 11 ****EXAM 1**** 2/20

Submit **Read** **Present**
None None None

- Exam
-

Session 12 Strategic choice under 2/22
uncertainty

Submit **Read** **Present**
None Grant 4 None

- What is the impact of risk and uncertainty on firm strategic choices?
 - What are real options?
 - What is scenario analysis?
 - How can game theoretic models be used to understand both competitive and cooperative strategies?
-

Session 27	Progressive/Ice-Fili	4/24
Submit Teams 5 & 6: Paper draft	Read Choose Progressive (3 & 4) or Ice-Fili (7 & 8)	Present Team 5 & 6 Presentation Teams 1 & 2 TMT
<ul style="list-style-type: none"> What do you recommend to the company? Why? What are the arguments against these recommendations? 		

Session 28	iPod/P&G	4/26
Submit Teams 7 & 8: Paper draft	Read Choose iPod (1 & 2) or P&G (5 & 6)	Present Team 7 & 8 Presentation Teams 3 & 4 TMT
<ul style="list-style-type: none"> What do you recommend to the company? Why? What are the arguments against these recommendations? 		

Session 29	Neo-pets case	5/1
Submit None	Read Neopets case	Present None
<ul style="list-style-type: none"> What challenges does Neopets face? How would you define Neopets' business? What is Neopets' business model? What do the frameworks developed in the class tell us about how it should approach these challenges? What should Neopets do? 		
