

MGMT 471.1
Spring 2008
Strategic Management
Arijit Chatterjee

Smeal College of Business Honor Code

We, the Smeal College of Business Community, aspire to the highest ethical standards and will hold each other accountable to them. We will not engage in any action that is improper or that creates the appearance of impropriety in our academic lives, and we intend to hold to this standard in our future careers.

ADMINISTRATIVE DETAILS	
MEETING TIMES	Mondays and Wednesdays: 4:15 pm – 5:30 pm
CLASSROOM	103 Business Building
OFFICE	418A Business Building, PSU, University Park PA 16802
OFFICE HOURS	Mondays and Wednesdays: 2:00 pm – 3:30 pm Other times by appointment.
PHONE	(814) 865-6651
E-MAIL (preferred)	azc127@psu.edu
TEACHING ASSISTANT	Name: Chris Sherman Office Hours: Mondays (11:30am – 1pm) and Thursdays (8am – 9:30am) Location: 467 Business Building
ANGEL	Please check https://cms.psu.edu regularly for lecture notes, and other course related communications.

COURSE OVERVIEW AND OBJECTIVES

Strategic management involves setting the direction and integrating the actions of different parts of the organization in order to sustain and improve performance in a competitive environment. This course is intended to make you think about the whole firm, and take the perspective of the general manager or top management team of an organization. We will discuss strategic concepts and analytical frameworks and build on your previous course work in business. The course will provide you opportunities to apply your knowledge to real and simulated business situations while further developing your skills in communication, analysis, and team work.

The “big picture” view taken by the course can be summarized with the following formula:

Firm performance = f {environment, strategy, execution}

LEARNING OBJECTIVES

Learning goals for students include increased knowledge, skills, and confidence that will enhance your effectiveness in obtaining and evaluating job opportunities and performing in entry-level positions, while building a foundation for continued career success. After completing the course successfully, students should be able to:

- Recognize and use the language of strategic management when reading articles in the business press, interviewing with prospective employers, and communicating with other business professionals on the job.
- Choose and apply strategic management concepts and frameworks to analyze an organization's current situation, future prospects, and options for improving performance. Reasons for conducting strategic analysis include:
 - Respond to job assignment to assess the organization, its competitors, or its customers.
 - Contribute to strategic decisions for a family business or nonprofit organization.
 - Assess an entrepreneurial opportunity for yourself or someone else.
 - Examine the attractiveness of an organization as an employer, client, supplier or partner.
 - Demonstrate knowledge of the organization in a job interview.
 - Determine how your job position contributes to the employer's purpose and performance.
- Think critically about any business problem by applying theoretical knowledge, analyzing relevant information, synthesizing different perspectives, and evaluating possible options to achieve a sound, ethical, and practical solution.
- Demonstrate increased competence and confidence in explaining your ideas verbally and in writing; presenting material to a group; and working effectively as part of a team.

COURSE MATERIALS

1. **Text.** Gopinath & Siciliano (2005) *Strategize!* (2nd edition) Thomson/ Southwestern (ISBN: 0-324-29046-2 or 0-324-25912-3). You do not need the CD packaged with some versions. This is a relatively inexpensive text (@\$45 new) designed to be used as a workbook. If you purchase a used copy, examine it carefully to ensure that perforated pages are not torn out and missing.
2. **Business Week Magazine.** I strongly recommend purchasing a hard copy subscription through the student discount program offering 20 issues (for one semester) for \$20 or 51 issues (for one year) for \$30. I will bring the discounted student subscription forms on the first day of class. Based on prior student experience, this is the best way to ensure you have all the articles you need with the full text, pictures, and graphics, when you need them. You can also access articles online (www.businessweek.com) or through the library databases (www.libraries.psu.edu).
3. **Marketplace New Venture Strategy Simulation.** Directions for purchasing access to this online simulation will be provided in class. (\$35)
4. **ANGEL:** Some of the course materials such as readings and PowerPoint slides will be provided on ANGEL. You can print these materials for your use if you wish.

OPTIONAL MATERIALS

Hill, C. & Jones, G. (2008) *Essentials of Strategic Management*. Boston: Houghton Mifflin Company. (ISBN: 978-0-618-60536-1). Some of you may find it helpful to have a more in-depth text to supplement class lectures and the *Strategize!* text. However, any strategic management textbook may be used as a supplemental study guide. Other texts are available in the library.

COURSE REQUIREMENTS

Requirements		Points
1. Strategy Sessions (8 out of 9 sessions) (individual/ group)		160
2. Short Exercises		70
<i>Strategic Assessment Paper</i> : Industry, competitor and company analysis of a firm	50	
One Page write-up on Tom Friedman's <i>The World is Flat</i>	20	
3. Business Week Quizzes (5) (individual)		120
4. Marketplace New Venture Strategy Simulation		400
Peer feedback & group process paper (individual/group)	20	
VC presentation (group)	100	
Team performance (group)	100	
Class presentation & final report (group)	150	
Reflection paper (individual)	30	
5. Final Exams – take home comprehensive exam (individual)		250
Total Points		1000

1. The *Strategy Sessions* are in-class exercises from the *Strategize!* text that we will use to illustrate and practice concepts introduced in short class lectures. Students who submit complete assignments in class will receive full credit for them.
2. *Short exercises* are out-of-class analyses/ reading that will help you to do industry analysis on your own, and have a broad understanding of the world economy.
 - a. In the *Strategic Assessment Paper* you will do a comprehensive analysis on a firm of our choice. You will have to use information from Diane Zabel's talk on February 6. The final report is a maximum of ten pages (12-point TNR font, double space) and should cover the three main elements of industry, competitor, and company analysis. You may work with a partner on this assignment.
 - b. In this individual exercise you will have to watch a one hour video (details in class) and write a 1 page summary on the key points discussed in that talk.
3. The *Business Week Quizzes* are structured oral discussions of selected current articles. I will distribute questions one week ahead of time, and call on you in class to hear what you think of those questions. Reasonable responses will receive full credit.
4. The *Marketplace New Venture Strategy Simulation* is a Web-based simulated competition among a group of start-up companies entering the personal computer industry. Teams of 4-5 students will compete to design, promote, produce, and sell PC products to targeted markets. Team performance is based on a balanced scorecard approach that includes market acceptance, human resource management effectiveness, and financial performance. The competition runs for 6 quarters. After Quarter 3, teams will present their investment plans to obtain additional venture capital funds. After Quarter 6, teams will present their results and lessons learned to the class. A group final report and individual reflection papers will complete the simulation requirement. Except for the relatively uncertain team performance, all other components of the simulation exercise depend on your diligence and learning.

5. All students will write a comprehensive, take-home *Final Exam* due during the exam period. The format will be short answer questions and a case analysis of the Starbucks case. It will test comprehension of the concepts introduced in class lectures and applied through the strategy sessions, class lectures, *Business Week* quizzes, and the simulation. The Starbucks case will be distributed in class.

GRADING SCALE

A	93-100%	B+	87-89%	C+	77-79%	F	Below 60%
A-	90-92	B	83-86	C	70-76		
B-	80-82	D	60-69				

Absence from class. This is not an independent study course. By design, much of the learning takes place in the classroom through interaction with other students and class activities. Every absence is a missed opportunity to learn and to contribute to the learning of others. I consider it a professional courtesy to advise me of necessary class absences before the class or as soon after the class as possible. Absent students are responsible for obtaining notes and assignments from classmates or material posted on ANGEL.

Make-up assignments. Students may miss one of the nine *Strategy Sessions* without a grade penalty or make-up assignment. For *Business Week Quizzes*, students may submit a make-up assignment for one quiz no later than one week after the date of the quiz. Because the *short exercises* give you enough time to prepare outside class, there are no make-up exercises for them. If you miss the two short exercises, you do not get any points. Make-up assignments are available for additional absences only in cases of a documented university-approved excuse (religious observance, athletic event, family funeral, hospitalization of student, other serious and unavoidable circumstances). Please note that a job interview is not a university-approved absence.

Contribution to the simulation team. Any student who is not contributing to the team's effort on the Venture Strategy simulation may be removed from the team (at its request) and required to complete an alternative individual simulation at additional cost in order to pass the course.

Class participation. I realize that students vary in their comfort level with speaking in class, but I encourage all students to develop your skill in both sharing your ideas and listening to the ideas of others. Class participation is essential to earn points for the *Business Week Quizzes*.

[Please write your name on the tent card, and bring it to every class.]

Expectations for classroom behavior. Although I understand that you are eager to be finished, I expect that you will devote the time and effort required to make the course worthwhile for both yourself and your classmates. Please be mindful that class sessions cannot be fully effective when a cell phone rings, the person next to you is text messaging or eating snacks, and so on. Please be respectful to all in the class, and arrive in the classroom on time. I hope that we will have fun and learn together as you complete one of your final undergraduate courses.

Class	Dates	Days	Topics	Assignments
1	1/14	Monday	Introduction to the course and one another; Get copies of the Syllabus, Business Week; Strategy Sessions	Read syllabus. Obtain required materials. 1. Strategize: Sessions 1 & 2
2	1/16	Wednesday	Mission; Firm performance; Balanced Scorecard; Ratios	2. Strategize: Sessions 3 & 18
3	1/21	Monday	No Class	
4	1/23	Wednesday	Environment: Industry Analysis; Porter's Five Forces	3. Strategize: Session 6
5	1/28	Monday	Corporate Strategy; Vision/ Mission; Portfolio Management	4. Strategize: Session 9
6	1/30	Wednesday	<i>Business Week Quiz 1</i>	Read articles and prepare answers to questions.
7	2/4	Monday	Business Strategy; Miles and Snow; Porter's Generic Strategies	5. Strategize: Session 8
8	2/6	Wednesday	Talk by Diane Zabel on how to get information from databases	Strategic Assessment paper due on Fri, Feb 15.
9	2/11	Monday	<i>Business Week Quiz 2</i>	Read articles and prepare answers.
10	2/13	Wednesday	Introduction to Venture Strategy Simulation	Teams sign up for Venture Strategy Simulation; Begin working on Q1 decisions.
11	2/18	Monday	<u>First lab session</u> (Q1 Decisions due by Wednesday, 2/20 9 pm)	Work on Q1 decisions due Wed 2/20 at 9 pm.
12	2/20	Wednesday	<u>Second Lab session</u> (Q2 Decisions due by Friday, 2/22 9 pm)	Work on Q2 decisions due Fri 2/22 at 9 pm.
13	2/25	Monday	International Strategy; Market Entry Strategy Alternatives	6. Strategize: Session 11
14	2/27	Wednesday	<i>Business Week Quiz 3</i>	Read articles and prepare answers to questions.
15	3/3	Monday	<u>Third Lab session</u> (Q3 Decisions due by Wednesday, 3/5 9 pm)	Peer feedback and group process paper due. Work on Q3 decisions due Wed 3/5 at 9 pm.
16	3/5	Wednesday	Strategic Alliances	7. Strategize: Session 10
17	3/10	Spring break		
18	3/12			
19	3/18	Tuesday	How to make a business presentation (Andy Gustafson)	This session will be at 7 p.m. in 110 Business
20	3/19	Wednesday	<u>Fourth Lab session</u> (Q4 Decisions due by Friday, 3/21 9 pm)	Work on Q4 decisions due Fri 3/21 at 9 pm.
21	3/24	Monday	Group work time	Work on Venture Capital Presentation
22	3/26	Wednesday	Groups present their investment plans to Venture Capital Firms	4:15 pm – 8:30 pm in 218 Business
23	3/31	Monday	<i>Business Week Quiz 4</i>	Read articles and prepare answers to questions.
24	4/2	Wednesday	Turnaround Management	8. Strategize: Session 12
	4/7	Monday	<u>Fifth Lab Session</u> (Q5 decisions due by Wednesday, 4/9 9 pm)	Work on Q5 decisions due Wed 4/9 at 9 pm.
25	4/9	Wednesday	Changes taking place in the world economy	Summary of 'The World is Flat' due
26	4/14	Monday	<u>Sixth Lab session</u> (Q6 decisions due by Wednesday, 4/16 9 pm)	Work on Q6 decisions due Wed 4/16 at 9 pm.
27	4/16	Wednesday	Strategy Implementation	9. Strategize: Session 14 & 16
28	4/21	Monday	Guest Speaker on strategy execution	Individual reflection papers due
29	4/23	Wednesday	<i>Business Week Quiz 5</i>	Read articles and prepare answers to questions.
30	4/28	Monday	Class Presentations	Simulation Reports due; Teams 1 - 4 present.
31	4/30	Wednesday	Class presentations; This is the last class	Teams 5 - 7 present.
	TBD		Final Examination	Write comprehensive take-home exam.

Academic Integrity:

According to the Penn State Principles and University Code of Conduct:

Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. According to the University's Code of Conduct, you must neither engage in nor tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used in another course without informing the instructor, or tampering with the academic work of other students.

Any violation of academic integrity will be investigated, and where warranted, corrective academic and/or disciplinary action will be taken. For every incident where a penalty is assessed, an Academic Integrity Incident Report form must be filed. The form can be found on the Smeal College Intranet at this URL: <https://intranet.smeal.psu.edu/students/integrity/index.html>. This form is to be used for undergraduate courses. The report must be signed and dated by both the instructor and the student, and then submitted to Gus Colangelo, Interim Associate Dean for Undergraduate Programs, 202 Business Building.

In addition, the Smeal College has adopted the following Honor Code:

We, the Smeal College of Business Community, aspire to the highest ethical standards and will hold each other accountable to them. We will not engage in any action that is improper or that creates the appearance of impropriety in our academic lives, and we intend to hold to this standard in our future careers.

Affirmative Action & Sexual Harassment

The Pennsylvania State University is committed to a policy where all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status. Related inquiries should be directed to the Affirmative Action Office, 328 Boucke Building.

Americans with Disabilities Act

The Smeal College of Business Administration welcomes persons with disabilities to all of its classes, programs, and events. If you need accommodations, or have questions about access to buildings where Smeal College activities are held, please contact us in advance of your participation or visit. If you need assistance during a class, program, or event, please contact the member of our staff or faculty in charge. Access to Management & Organization courses should be arranged by contacting the Department of Management & Organization Office: (814) 865-1789.

An Invitation to Students with Learning Disabilities

It is Penn State's policy to not discriminate against qualified students with documented disabilities in its educational programs. If you have a disability-related need for modifications in your testing or learning situation, your instructor should be notified during the first week of classes so that your needs can be accommodated. You will be asked to present to the Office of Disability Services (located in 116 Boucke Building; (814) 863-1807) documentation that describes the nature of your disability and the recommended remedy. You may refer to the Nondiscrimination Policy in the *Student Guide to University Policies and Rules*.