

## SYLLABUS

### MANGEMNT 788-22, Strategic Decision Making – Spring 2009

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I should be close to the office most Mondays thru Thursdays, feel free to stop by if you are in the building, or call/e-mail first if you are making a special trip.

#### TEXT:

Hitt, M., Ireland, R. & Hoskisson, R. Strategic Management: Competitiveness and Globalization, 8th Edition, 2009, Mason, OH: South-Western Cengage Learning. ISBN 13: 978-0-324-65559-9 or ISBN 10: 0-324-65559-2 (hardbound)

Your text is also available in electronic format at: <http://www.ichapters.com>. The cost of the e-text is about 50% of the paper text.

**Caution:** The 8th edition of your text actually came off the press in early 2008. The textbook comes in multiple formats, the University Bookstore will normally stock a hardbound book containing both the text and cases (ISBN 10: 0-324-65559-2). One softbound version is referred to as a split because volume 1 contains the text while volume 2 contains the cases. However you choose to approach this, you will need both the text and the cases.

#### PRESENTATIONS:

You can view or review your instructor's presentation on a module's topic over a fast internet connection at <http://onlinemba.uww.edu/media/mgt788/>. Presentations contain information that is not available in your text and that you will find useful in completing your assignments.

#### DESCRIPTION:

This course is titled "Strategic Decision Making," but most of us will recognize that the material consists of the core of the subject variously known as Strategic Management, Business Strategy and/or Business Policy. Strategic Decision Making is the capstone course in the strategy module of your MBA program. As an MBA capstone, "Strategy" should reinforce your understanding of managerial decision topics and further your understanding of the inter-relationship between the functional areas of business. To this end strategy focuses on matching the competencies of the firm with the firm's changing environment. To achieve this match, strategic management asks four fundamental questions about a business:

- 1) What business, or businesses, should the firm engage in and what should be the scope of the firm's operations? (*Who are we?*)
- 2) What is the current state of the firm and its environment? (*What is happening now?*)
- 3) How will the environment change in the future, and how will the firm need to change to remain competitive? (*Where do we need to be in the future?*)
- 4) What needs to be done to move the firm from its current state to that future Competitive position? (*How do we get there from here?*)

The position of this course in the overall hierarchy of MBA courses suggests that we are primarily concerned with points 1) *Who are we?* 2) *Where are we now?* and 3) *Where do we need to be in the future?* However, it really isn't practical to deal with points 1, 2 and 3 without placing them within the limitations imposed by point 4) *How do we get there from here?*

Consequently, we will not ignore point 4, which covers the question of strategy implementation, but we will leave its full development for another course, MANGEMNT 771, Strategic Management.

#### OBJECTIVES and/or GOALS:

- Through the use of businesses cases, the students will apply a non-discipline specific and integrated view of the firm; essentially the view of senior management. In applying this view the student will identify and analyze strategic opportunities and the organization of the firm's resources to pursue those opportunities, with the goal of achieving a competitive advantage.
- Students will be required to identify and evaluate (a) the importance of the firm's Strategic intent and the role of the firm's functional disciplines in achieving the firm's strategic intentions, (b) the relationship between strategy, competition, and the firm's performance, and (c) the need for an integrated approach when implementing the firm's strategies.
- Students will apply a methodology for the systematic analysis of the firm's environment and the firm's resources/capabilities/competencies, and evaluate appropriate business- and corporate-level strategies.
- To apply these concepts to actual companies and situations through the use of case analysis.

#### ASSESSMENT

- Student's ability to apply the courses' terminology, concepts, and methodology will be assessed through regular case discussion and case-based written assignments. Case-based written assignments will be comprised of one question that assesses student knowledge, comprehension, application, and analysis, and a second question that requires critical thinking in the synthesis and evaluation of concepts.

#### COURSE STRUCTURE, ORGANIZATION AND ASSIGNMENTS:

The course is divided into eight modules; one for each of the seven weeks of the course, plus an optional eighth module. You are expected to complete the first seven modules. However, if you miss an assignment or receive a low grade in Modules 1-7 there is a "fix." The assignments in Module 8 may be used to replace any corresponding assignment in the first seven modules. Assignments may be replaced because: a) you didn't complete the minimum number of assignments for whatever reason, or b) you were not satisfied with the score you received on an assignment.

**1. 2% (2 points)** will be given for completing your profile prior to the first Wednesday in the course schedule. You do need to tell me how you prefer to be addressed, e.g. Kathy as opposed to Kathleen or Bud as opposed to Ronald. You should include enough information so that your class mates and I can associate a person with your name, e.g. your job, favorite leisure activities, etc. You should not reveal any personal locator information like your home address or phone number(s).

**2. 21% (21 points)** of your grade will be determined by your instructor's evaluation of your online discussion. Essentially, you will receive up to 3 points for individual discussion on 7 cases in 7 modules (7 case discussions X 3 points = 21).

The criteria for evaluating discussion are:

- a. Well developed “ideas” that are new to the discussion. Preferably stated in a complete paragraph. An insightful idea may earn up to three points, mundane ideas are worth one point, repeating what others have already stated is of no benefit to the discussion or your score.
  - b. Responsiveness to the ideas of others. Comments that evaluate and build on the ideas of classmates are favored. Offering examples based on personal experience and updates to the case gleaned from the internet, and other sources, is almost always appropriate.
  - c. The timeliness of your discussion. You are expected to read the existing discussion comments upon entering the discussion and offer “new” contributions to the discussion. Early movers generally receive significantly greater rewards than second movers and really late movers may find that most meaningful positions have already been “spoken for.”
  - d. Quantity of your discussion. Don’t confuse quantity and quality, three reasonable contributions to the discussion will earn three points. Given the number of students enrolled in the class it will be appreciated if you limit your comments to three or four.
- 3. 70% (70 points)** of your grade is based upon your written analysis of the case companies. There are 8 cases listed in your syllabus, your final grade is based on 5 cases. Cases are either in your textbook or on the ROAD server, <http://road.uww.edu>, under the course number and your instructor's name. Cases are worth 14 points each, (5 case write-ups X 14 points = 70). Your instructor has furnished questions for each case. These questions can be found near the end of the syllabus. **Case write-ups can be adequately handled in one or two pages; case write-ups exceeding two pages will not be considered beyond the second page.** I expect you to write for business and this means you should convey information in an efficient manner. I will award 12 points for papers that meet the grading criteria for the assignment, 13 points to papers that exceed the grading criteria, and 14 points to only the few outstanding papers that cause me to say: “Oh wow, that’s a really good answer.” (The criteria for perfect score on a short paper in the capstone course in the MBA program needs to be more than just good enough.)
- 4. 5% (5 points)** of your grade is based on your performance on the program assessment in Module 7.
- 5. 2% (2 points)** of the available 100 points will be awarded to those students completing the Course Evaluation.

**GRADING:** Approximate weighting of assignments.

Profile, 1 @ 2 pts.	2.0%
Discussion, 7 @ 3 pts.	21.0%
Individual Cases, 5 @ 14 pts.	70.0%
Program Assessment @ 5 pts.	5.0%
Course Evaluation, 1 @ 2 pts.	<u>2.0%</u>
	100.0%

Note: Extra credit may be available for completing surveys and other research oriented tasks. I anticipate letter grades will be assigned on a variant of the standard grading scale, i.e.  $\geq 94\%$  = A,  $93\%$ - $88\%$  = AB,  $87\%$ - $84\%$  = B,  $83\%$ - $78\%$  = BC,  $77\%$ - $74\%$  = C,  $73\%$ - $64\%$  = D &  $< 64\%$  = F

**GROUND RULES:**

1. **Assignments will be submitted electronically and are due at 11:59 PM on the Wednesday of the week stated in the syllabus.** Watch your punctuation and use your spelling checker. (We all make an occasional error, however sloppy work is not acceptable and will be penalized.) Where appropriate, please ensure that the title of the assignment, the course number, and your name(s) are at the top of the first page. **Assignments may not exceed two pages.** Use 12 point Times New Roman or Arial font, 1" margins, quotation marks, citations, and other common writing conventions. Note that I have intentionally not specified line spacing, please make your own choice of spacing consistent with your presentation of the material.
2. Work may be submitted early, but typically will be graded after the due date. Your final grade will be based upon the total of your best individual scores.
3. You are writing for a business course - I am looking for clear and concise answers to the questions. I don't need, or want, introductions to the topics. I do want enough information to be able to reasonably evaluate your response. Please do use headings, bullets, lists, and "outline" type formats when they constitute the most effective and efficient means of conveying the requested information. Should you find your responses to the case questions running over two pages, I would suggest you go back and read the question(s) a second time to ensure that you understand what is being asked of you.
4. Late assignments are only accepted in the case of incapacity, e.g. you find yourself, your spouse, your child, in the hospital. Your instructor will be the sole judge of events constituting incapacity.
5. Occasionally we all encounter an event beyond our control, e.g. prolonged illness, accident, or family emergency. I sincerely hope you don't encounter such a misfortune, but should a misfortune befall you, please let me know at your early convenience. I will make every reasonable, and some unreasonable, accommodations to meet your needs.
6. Unethical conduct will be penalized with prejudice. Unethical conduct includes plagiarism, i.e. failing to employ quotation marks and/or citations when incorporating the ideas, writing, statistics, graphs, tables, etc. of others into your assignments. Your instructor will take whatever action he deems appropriate under the circumstances. (See "The Fine Print" at the very end of the syllabus for details.)

## **SCHEDULE**

\* I have used **bold** to demarcate both **graded work** and **due dates**. (6 Weeks/7 Modules)

(Week)/Dates Assignment

### **March**

- (1) 16-18 W Chap. 1: Strategic Management and Strategic Competitiveness  
**Case A:** Stew Leonard's Dairy  
<http://www.stewleonards.com>  
 The Stew Leonard case is on the ROAD server @ <http://road.uww.edu>.

- (2) 19-25 W Chap. 2: The External Environment  
**Case B:** Carrefour in Asia, text, Cases 73-83  
<http://www.carrefour.com>

### **April**

- (3) 26-01 W Chap. 3: The Internal Environment  
**Case C:** Harley-Davidson and the International Market for Luxury Goods  
 Note: The Harley Davidson case, and accompanying financial statements, is on

the ROAD server @ <http://road.uww.edu>.  
<http://www.harley-davidson.com>

- (4) 02-08 W Chap. 4: Business-level Strategy  
**Case D:** JetBlue Airways: Challenges Ahead, text, Cases 205-221,  
<http://www.jetblue.com>
- (5) 09-15 W Chap. 5: Competitive Rivalry and Competitive Dynamics  
**Case E:** Netflix, text, Cases 275-287,  
<http://www.netflix.com>
- (6) 16-22 W Chap. 6: Corporate-Level Strategy  
**Case F:** Dell; From a Low-Cost PC Maker to an Innovative Company, Cases 85-97, <http://www.dell.com>
- (7) 23-29 W Chap. 7: Acquisition and Restructuring Strategies  
**Program Assessment**, Exercise 7 - Marzillis  
**Case G:** Vodafone: Out of Many, One, text, Cases 335-351,  
<http://www.vodafone.com>
- May
- (8) 30-06 W Chap. 9: Cooperative Strategy  
**Case H:** Lufthansa: Going Global, but How to Manage Complexity, text, Cases 233 - 241, <http://www.lufthansa.com>

**Your professor reserves the right to revise the syllabus if he deems changes are warranted!**

## **CASE QUESTIONS**

**The following case questions are intended to be teaching tools and many, but not all, questions do have specific answers. You may find that you need to rely on the lessons of other MBA courses, your own experience, and possibly outside sources in order to successfully respond to the questions.**

**Case A. Stew Leonard's Dairy**, may be found at <http://road.uww.edu>  
<http://www.stewleonards.com>

Among the many things I have learned about strategy implementation over the years is that effective implementation is often a question of “checks and balances.” For example, you might increase production by rewarding workers on some variation of a piece rate system, i.e. workers are paid for each item or task they complete. However, a piece rate system by itself often results in a marked increase in defects. (When you pay me for work produced, I may be able to produce a lot more product if I don't need to concern myself with the quality of my work.) A piece rate system will work, but only if there is a check or balance; for example, all defects are traced back to the employee and he/she must make corrections on his/her own time. Let me put it another way: check + balance = desired outcome. For example, piece rate pay + a quality enforcement system = increased production/increased employee pay/increased quality/increased profits.

1. What are the checks and balances in the implementation of SLD's strategy? Provide a brief explanation as to how/why these checks and balances operate.  
Some examples to get you started:  
Freshness & return policy = customer satisfaction/. . .  
**In addition to reassuring customers that their concerns will be addressed, the easy return policy allows managers to quickly locate and correct any threat to product freshness; thus, helping to ensure that customers receive only the freshest products.**  
Suggestion box & \_\_\_\_\_ = \_\_\_\_\_  
Various desired employee behaviors & \_\_\_\_\_ = \_\_\_\_\_ (You may address each desired behavior separately.)  
\_\_\_\_\_ & \_\_\_\_\_ = \_\_\_\_\_  
\_\_\_\_\_ & \_\_\_\_\_ = \_\_\_\_\_
2. Is the mission statement on Stew Leonard's 6,000 pound boulder effective? Is it closer to a vision statement than a mission statement?

**Case B. Carrefour in Asia**, text, pages Case 73-83, <http://www.carrefour.com>

1. How does Carrefour alter, or attempt to alter, supplier and buyer power in its favor?
2. Carrefour has not fared well when entering sophisticated markets, e.g. the U.S. and Japan. Why do you think this is the case?

**Case C. Harley-Davidson and the International Market for Luxury Goods**, the case and accompanying financial information can be found at <http://road.uww.edu>, the H-D website may be found at

The value chain of Harley-Davidson fits the traditional manufacturing model, i.e. the primary activities of inbound logistics, operations, outbound logistics, marketing, and service, and the support activities of infrastructure, HRM, innovation/R&D, and procurement.

1. Which value chain activities may be considered core competencies for H-D? Provide argument in support of your response.
2. Given the capability of H-D's competitors, why haven't H-D's core competencies been competed away in the national market and the international market?

**Case D. JetBlue Airways: Challenges Ahead**, text, pages Cases 205-221, <http://www.jetblue.com>

1. In one short sentence, what is JetBlue's business-level strategy?
2. How has JetBlue attempted to enact/implement this strategy? Have they been successful?

**Case E. Netflix**, text, pages Cases 275-287, <http://www.netflix.com>

1. What factors are critical for Netflix's success given the competitive environment.
2. How well is Netflix positioned for success vis-à-vis its rivals?

**Case F. Dell, From a Low-Cost PC Maker to an Innovative Company**, Cases 85-97, <http://www.dell.com>

1. Complete a BCG matrix for Dell employing the data given in Exhibit 14 along with any updates you may glean from outside sources.
2. Discuss how well Dell is positioned for growth based on your BCG matrix.

**Case G. Vodafone: Out of Many, One**, text, Cases 335-351,  
<http://www.vodafone.com>

1. What is the name/terminology utilized in the text to describe Vodafone's growth strategy? Why is this strategy appropriate in this industry?
2. List the measures Vodafone carries out to integrate companies in which Vodafone owns a controlling interest.

**Case H: Lufthansa: Going Global, but How to Manage Complexity**, text, pages,  
 Cases 233 - 241, <http://www.lufthansa.com>

You will have to read between the lines and know just a little about the airline industry in order to understand that the Lufthansa case is one of the most interesting and informative case in this edition of the textbook. Lufthansa is a survivor, and one of a handful of international airlines to operate successfully without a government subsidy. Most nations seem to have had a national airline and many still do - Air India, Air France, Aer Lingus, Egypt Air, to name just a few. National airlines tend to be heavily subsidized by their governments. The U.S. had two flag carriers, Pan American and Trans World Airlines, both of which were publicly owned companies. Neither Pan Am or TWA still exist, but Lufthansa, arguably even more encumbered by a legacy structure and unions, has survived and even prospered. Lufthansa's story is an excellent example of the effective use of corporate-level and cooperative strategies.

1. With reference to the case Exhibit 8 and 9 on pages 238-239, why is Lufthansa conceptually better positioned for growth in 2000 than it was in 1994, i.e. from a management perspective, what is the difference between managing Lufthansa by divisions, by strategic business units, and as strategic business units comprised of a portfolio of businesses?  
 Note: To successfully answer this question you may find that you will need to refer to Chapters 7 and 11.
2. What are the relative advantages and disadvantages of the Star Alliance for Lufthansa.

## THE FINE PRINT

### University Policies

The University of Wisconsin-Whitewater is dedicated to a safe, supportive and non-discriminatory learning environment. It is the responsibility of all undergraduate and graduate students to familiarize themselves with University policies regarding Special Accommodations, Misconduct, Religious Beliefs Accommodation, Discrimination and Absence for University Sponsored Events (for details please refer to the Undergraduate and Graduate Timetables; the "Rights and Responsibilities" section of the Undergraduate bulletin; the Academic Requirements and Policies and the Facilities and Services sections of the Graduate Bulletin; and the "Student Academic Disciplinary Procedures" [UWS Chapter 14]; and the "Student Nonacademic Disciplinary Procedures" [UWS chapter 17].)

"The UW System standard for work required per credit is that students are expected to invest at least 3 hours of combined in-class and out-of-class work per week for each academic unit (credit) of coursework; thus, a 3-credit course will typically require a minimum of 9 hours work per week (144 hrs./semester)."

**College Policies**

The College requires that a minimum of 50% of the students in online courses complete the course/instructor evaluation. I have elected to ensure a high-level of participation in the evaluation by offering you the opportunity to earn a small percentage of the grade points available in this course for completing the evaluation.

**UW-W Student Honor Code**

As members of the University of Wisconsin-Whitewater College of Business & Economics community, we commit ourselves to act honestly, responsibly, and above all, with honor and integrity in all areas of campus life. We are accountable for all that we say and write. We are responsible for the academic integrity of our work. We pledge that we will not misrepresent our work nor give or receive unauthorized aid. We commit ourselves to behave in a manner that demonstrates concern for the personal dignity, rights and freedoms of all members of the community. We are respectful of college property and the property of others. We will not tolerate a lack of respect for these values.

*This code originated at Wheaton College*