

School of Business
James Madison University
Management Program

COB 487 Strategic Management
Fall 2017

Time: 9:30 (Section 11)
11:00 (Section 12)

Room: SSC 4045

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Hours: Mon & Wed 9:00 – 11:30

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Required Materials:

1. HBS Cases as listed in the schedule. There are SEVEN of them and we'll discuss how to get these.

2. The Wall Street Journal The WSJ is assigned for all classes starting **7 Sept**. Please bring Monday's WSJ to class on Tuesday and Wednesday's WSJ to Thursday's class. You may be selected to talk about an article. Make sure you have one to talk about, even if you got it online.

3. Monopoly game for 487opoly You'll need access to a copy of the game Monopoly for our simulation. One person on your team needs to own a copy so you can practice. You do not need to bring it to class.

Go to the web page (www.whydoesfirmperformancediffer.com) for your class readings, sorry, I do not use Blackboard or Canvas or whatever it is.

Course Description, Overview, and Objectives

Strategic management is the capstone course for business education. It is designed to allow you to take all that you have learned at JMU's Business School and apply it in a rigorous manner to complex business situations. The primary purpose of this class is to help you think in a more systematic, integrated, and rigorous way about issues surrounding why firm performance differs.

Therefore, this course focuses on the strategic decisions of the firm and the problems of the general manager. You are placed in the position of key decision-makers or their advisors and asked to solve problems concerning the performance of firms. We will discuss a number of concepts and frameworks that can be used in assessing business strategy issues.

Strategic Management (COB 487) Learning Objectives

Overall: The purpose of strategic management is to help students think in a more systematic, integrated, and rigorous way about issues surrounding firm performance.

Specifically,

1. Students will demonstrate an understanding of the impact of external environment elements on business decisions and actions (e.g., Porter's five forces, stakeholder analysis).
2. Students will demonstrate an understanding of the impact of internal organizational strengths and weaknesses on business decisions and actions (e.g., VRIO analysis).
3. Students will demonstrate an understanding of how all functional areas of the firm must act in concert to support its strategy if the firm is to have enhanced performance (e.g. alignment).
4. Students will demonstrate an understanding of the challenges and opportunities for firms operating in multiple industries (i.e. corporate strategy) and/or markets (e.g. economies of scope, transfer prices, global strategy).

WARNING: We will discuss several ideas and concepts you have seen before. Please do not assume you know them because you've had them in one, two, or even five other classes.

Supplemental Sectional Objectives include:

1. Developing a "general management" orientation that goes beyond your functional expertise.
2. To gain some experience with problems of contingency, competition, and uncertainty in business in order to hone your business *judgment*.
3. To understand and be able to critically evaluate major business issues by *knowing from memory* the key constructs developed to address the official objectives.
4. An increased awareness of the business environment.

Class Preparation and Participation

Because of the nature of this class, especially the importance of case and current events discussion, your full preparation and active participation is required and is an important component of your grade. Your effective participation confers benefits not only to yourself but also to the entire class and fosters collective learning. To participate effectively, come prepared to discuss the case using the analysis frameworks we have discussed and that are contained in the assigned reading. In addition, it is critical that all students show courtesy and respect to their fellow classmates.

Because of the nature of this class you must keep up with the ideas and concepts we discuss in order to do well. Almost every issue we discuss is cumulative in nature; i.e. it serves as the starting point or adjunct for later analysis. So yes, all exams are cumulative.

Evaluation

This course uses cases, readings, lectures, class discussion, simulations, written and oral reports, group projects, and peer evaluation to achieve its goals.

The grading criteria is as follows:

1. Class Participation:	30% (Facilitation & peer evals. adds points)
2. First Exam	25%
3. Second Exam	35%
4. Simulation Performance	10%
5. Final Exam	Pass/Fail

Optional Extra Credit: Book Report: up to +4% (due last class day, not day of final)

1. Since the course is case based, class participation is evaluated carefully. Please take class participation seriously. Please be on time to class. Please bring your name card to class as it is what I will use to check attendance and sit with your group (once formed). Missing a class FOR ANY REASON will adversely affect your grade.

I will evaluate your participation in every class. You will get either an A for ABSENCE, a blank for present but little contribution, a dot for some constructive comment(s), a plus for more, and a double plus for “carrying the class”. You will recognize “carrying the class” opportunities when I ask a question and there is silence in the room and no hands go up. This is your chance to shine! Do this a few times and your double plus for the day is assured. Generally, a “carrying the class” day will make up for one absence.

Therefore, if you are going to be absent, you do not have to send me emails or call me telling me you are going to be absent and why. Unlike many classes, your reasons for being absent are your own. I want you getting ready for the classes that you are going to attend rather than exerting effort explaining away the one(s) you didn’t.

Please keep in mind as well that in most classes we will spend some time on “current events.” For these classes we will generally try and talk about what is going on in the larger business and international community and see how well it ties to what we have been discussing in class. This is a good way to contribute to class discussion in a low pressure way.

Your class participation grade is determined by taking some base score, e.g. 60, and adding a point (or fractional point) for each plus and subtracting an INCREASING number of points for each absence after the first. e.g. -1 for second absence, -2 (for total of minus 3) for the third, -3 (for total of minus 6) for the fourth. I then add in points based on your peer evaluations and group facilitation.

I want to emphasize that if you must miss a class it is not a disaster. You can make it up through exemplary participation later. Think of it as make up work if it helps. You’re doing make up work for a missed class but in a later class rather than outside of class. However, while one or two absences can be made up this way, multiple absences will result in a deeper hole.

IMPORTANT: On the course evaluations a top complaint is the stress on class participation (along with how hard the tests are). I’m sorry, participation is too important for me to disregard. However, I want to emphasize that class participation is more than just answering questions in class. It also includes questions you ask, the written peer evaluations, and the questions you ask

each other during presentations. Basically, anything you do that contributes to others' learning in this class I will try award with participation points. So there are many ways to help this score. Furthermore, I am open to your ideas for participation that go beyond the things I have mentioned, come see me.

I will inform you on test 1 of your current participation grade.

Peer reviews are done both for your group and for members of the class. Group reviews are turned in after you facilitate your case. Class participation evaluation assignments will be given later in the semester and are due on the last class day. Evaluation is the hardest part of being a manager. Take these evaluations seriously. Remarkably insightful and constructive evaluations will aid your class participation score. Frivolous evaluations will have a severely adverse impact on your overall grade. For example, a racist or sexist comment on a peer evaluation will result in an F for the course.

Each small group will be assigned a case to prepare and facilitate a class discussion. (More later.)

Cell Phones & Laptops: Please, no cell phones or texting in class. **IF YOUR CELLPHONE GOES OFF IN CLASS (OR I BUST YOU TEXTING) I WILL ANSWER IT AND RETAIN IT UNTIL YOU AGREE TO BRING REFRESHMENTS TO OUR NEXT CLASS.** Laptop and tablet users, you will probably not find much use for your computer in our discussion driven class, but if you insist, please sit in the front row only please.

2. & 3. The first exam is **28 Sept.** It is an in class exam. **DO NOT MISS ANY EXAMS. ANY MAKE UP EXAM THAT IS GIVEN WILL BE AN ORAL EXAM ADMINISTERED BY ME. IT WILL BE HARDER THAN THE IN CLASS EXAM.** Please check NOW to see if you are going to have any conflicts with the exams. I can almost always work with you to take the exam early if you give me early (e.g. by second week of classes) notice. The exams consist of short answer, fill in the blank, identification, and essay questions. If you are entitled to accommodations for a disability you must follow the rule to notify me in person the first two weeks of class so that we can make arrangements for you to take the tests over at disability services.

4. The grade for the simulation will be based on your team's performance in our tournament. You will play both an individual game and a "team" game. Even though it is based on Monopoly, do not be deceived, students report the simulation is one of the most tense and stressful things they have done.

The optional book report is a five page professional review (not a summary) of an academic business book. Please see me with your book ideas. Note that the workload in this class is already considerable, undertake this project only if you really think you'll need it. It is a good way to make up points if you are going to miss a class or two or are determined not to participate in class. You must come sign the plagiarism guidelines before you do the book report. Also do not expect the full four points unless you write a really outstanding review.

Final grades are determined by taking your scores on the various components, multiplying them by the percentages above and comparing them to the overall class's performance (i.e. curved). I will not curve "down". If you make As (e.g. 90s) on everything then you have earned an A as well as my esteem. However, the tests in this class are different from those you have probably encountered in the past. "Natural" As on these are rare, but not impossible. That is why I curve your score. This also keeps things fair with the other sections that may be harder or easier than this one. Because your score is curved please don't let "low" scores upset you, it is possible that a 60 on an exam is an "A".

Please, do not cheat in my class, I will take it personally. There should not be any collaboration across groups (or with anyone else) on group projects (or anything else) unless I give my prior approval in writing.

I can generally be a lot more helpful if you come see me before the exam with questions (or better yet ask them in class) than if you come see me after the exam with complaints. I will explain the exam regrading process after the first exam.

Please exhibit good classroom form. Please don't interrupt others, do raise your hand, and be nice to each other. (Being nice to me is optional but appreciated.) Also, students have told me I am extremely anal about people talking in class. Please, don't do this. If you have a question or comment share it with the whole class by raising your hand.

You will only receive credit for attending the section to which you are registered.

Cancelled Classes. If class is cancelled (usually due to weather) what happens in the next class depends on what was originally scheduled. If an EXAM was cancelled then the NEXT class is automatically the EXAM. For anything else, the topic/presentation for the cancelled class will be rescheduled to some other time and the next class will remain what was originally scheduled. So, except for exams, we stick to the schedule.

Peer Review

One of the most demanding tasks managers face is the constructive evaluation of their coworkers. In order to address the need for this skill, this class requires you to constructively evaluate your classmates on a regular basis. There will be at least four peer review opportunities this semester.

- a. All teams that are not facilitating in one class will conduct reviews of the teams that do facilitate. You will have to justify and RANK all other groups at the end, so take your evaluations of them seriously.
- b. Each individual member of a group will evaluate the performance of the other group members for both the facilitation and the game.
- c. The facilitating teams will prepare a very short quiz on their case that they will administer and grade.

Generally, comments and review a will be passed on anonymously to the subjects. (Review b is totally confidential, it will not be passed on to the other members of the group.) However, I will read all reviews and track who has reviewed whom.

Team Case Analysis

Students will form into teams of 5 or 6 members. Each team will be assigned to facilitate a case discussion. Each student team will receive one group level grade based on their facilitation. The team case analysis is a **SIGNIFICANT** part of your participation score, up to 7 points, equivalent to missing two and a half weeks worth of classes. Your grade on these group assignments may be adjusted on the basis of peer evaluations by your team members.

Based on discussions with other students, the typical JMU senior has done over 25 presentations by the time she or he reaches Strategic Management. This is why I ask for a facilitation instead of a presentation. However, I encourage you to be creative in facilitation discussion, I've seen game shows, skits, and even TV shows that get the class involved.

Each case has a couple of critical items that must be covered. Generally, these are topics that were assigned in the prior reading. **YOU MUST meet with me before your facilitation. This is NOT punitive, it's to help you. I will be happy to discuss with you everything that I know about the topics and the case. I want you to have a great facilitation!**

The reasons for this activity is to help you further refine your oral communication skills beyond just presenting information. While you will have already developed a comprehensive set of analysis and recommendations, it is **NOT** your goal to get the class to adopt them. Your goal is to guide the class in illustrating some of the key frameworks we cover and examining a broad range of opinions that are based on factual data.

Dress professionally for your facilitation unless you have a creative reason for not doing so.

As part of the facilitation you are required to prepare a quiz for the class. You must prepare a very simple quiz for the class. The only learning objective of this quiz is to see who read the material. Please, make it as simple as possible and you're welcome to test it out on me first.

Simulation Performance

Starting **19 Oct.** your group will be responsible for competing in our version of Monopoly called 487opoly. This game is designed to simulate the situations top management teams face regarding strategy. It is **NOT** a simulation of any particular industry. You should cooperate extensively with your group members (only) to help each other out as much as possible in this game as you are all in this together. You will receive a **GROUP** score that may be modified based on peer evaluations and conduct during the game. However, historically everyone has worked well together.

If something is not covered in this syllabus, we'll use policy from <http://www.jmu.edu/syllabus/>

Tentative Course Schedule

ALL Readings are on the web page - www.whyydoesfirmperformancediffer.com

1. 29 Aug. Introduction and Welcome
Form Groups
 2. 31 Aug. Overview (Reading)
 3. 5 Sept. Missions, Goals, and Ethics (Reading)
Student DATA sheet Due
 4. 7 Sept. External Analysis (Reading)
START CURRENT EVENTS - WSJ
 5. 12 Sept. Internal Analysis (Reading)
 6. 14 Sept. Case Analysis (Please be sure to read case!)
CASE: Coke versus Pepsi in 2006
 7. 19 Sept. Business Level Strategies (Reading)
 8. 21 Sept. Example Case Facilitation: The Lincoln Electric Company, 1996
-OR- Walk Away From The Walking Dead
(either way Gallagher will distribute)
 9. 26 Sept. EXAM REVIEW
 - 10. 28 Sept. Exam 1**
 11. 3 Oct. Exam Return
Corporate Strategy (Reading)
 12. 5 Oct. Mergers & Acquisitions & Alliances (Reading)
 13. 10 Oct. Case Facilitation 1: Global Wine Wars - Group ___
(Multiple Macro Environment Analysis)
 14. 12 Oct. Case Facilitation 2: Howard Schultz & Starbucks Coffee - Group ___
(Internal Analysis & BL Strategy)
 15. 17 Oct. Entrepreneurship & Innovation (Reading)
- Please read **Rules to 487opoly**.
16. 19 Oct. **Demonstration of 487opoly**

Start of 487opoly Tournament

17. 24 Oct. International or Global Strategy (Reading)
18. 26 Oct. Case Facilitation 3: Ben & Jerry's Homemade Ice Cream, Inc.- Group __
(Internal Analysis, BL Strategy, & Interaction)
19. 31 Oct. Case Facilitation 4: Walt Disney Corporation: The Entertainment King -
Group __
(Corporate Strategy)
20. 2 Nov. Structure, Leadership, and Controls (Reading)
21. 7 Nov. Case Facilitation 5: Zara – Fast Fashion – Group _____
22. 9 Nov. Case Facilitation 6: Apple Computer in 2006 - Group _____
23. 14 Nov. Test Review
- 24. 16 Nov. Exam 2**
25. 28 Nov. Test Return, Peer Evaluation of Facilitations & Other Fun!
26. 30 Nov. IN CLASS 487OPOLY GAME
28. 5 Dec. IN CLASS 487OPOLY GAME
29. 7 Dec. LAST CLASS DAY - GAME DE-BRIEF I
- Peer Game Evaluation Due and required for course grade.
 - Extra Credit Assignment Due if desired.
 - EVERYTHING Due

FINAL EXAM – 9:30 Thursday Dec. 14th at 8:30 AM (Don't be late!)
11:00 Tuesday Dec. 12th at 10:30 AM (Don't be late!)

Satisfactory completion of the final exam - GAME II & COURSE DE-BRIEF - is required for course grade. Penalty assignment may be given if tardy to FINAL EXAM.