

**MANAGEMENT 455: COMPETITIVE STRATEGY**  
**CAMERON SCHOOL OF BUSINESS**  
**Summer, 2009**

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Office Hours: M-Th: before and after  
class

**Optional Text:** a) Dess, Lumpkin and Eisner, *Strategic Management* (McGraw-Hill, Irwin) 3<sup>rd</sup> or 4<sup>th</sup> edition, b) internet readings and cases -- occasionally the instructor will place readings which can be accessed through his web page, under the link to Mgt 455.

In addition, we will discuss and apply current business and economic news into class discussions. It is suggested that you access various "blog" sites (see instructor web page for some links), business periodicals and become familiar with current events for purposes of class preparation, case analysis, and your career search.

**Course Description:** Senior level capstone course in management strategy and integrating the various business functions. Case analysis, discussion and presentations are utilized to integrate the business functions into a comprehensive, holistic approach for strategic decision making, planning for competitive advantage, communicating decisions, and planning for the effective implementation of strategies.

**Course Prerequisites:** MGT 350, PDS 317, BLA 361, MKT 340, FIN 355 and senior standing. This course builds upon the material covered in earlier business courses; therefore, a lack of this knowledge may jeopardize your ability to perform in this class.

**Course Philosophy and Objectives:** The central theme for this course in business policy and strategy is that a company's chances for *sustained success* are greatly improved when managers (1) have an astute, timely strategic "game plan" for running the company, and then they (2) implement and execute the plan with great proficiency.

This course will provide students the opportunity both individually and in teams to apply business and management concepts to real problems and policy issues for a variety of organizational situations. Students will be required to analyze, discuss, and make recommendations and decisions based on available facts and information consistent with sound business concepts. The available information may, at times, be incomplete. This is in agreement with the uncertainty of real business operations. The course therefore has three specific learning objectives:

- 1) Introduction to the theories, concepts, and models used in modern strategic management.
- 2) Introduction to strategic decision making under uncertainty and incomplete information, as in real world strategic decision.
- 3) Integration of functional areas of business in developing and implementing top level strategic decisions.

**Topics and Concepts:** Topics covered in this course will include:

- (1) Industry structure and the evolution of industries. The generic strategies of firms.

- (2) Vertical integration and industry power.
- (3) Diversification theory, joint ventures, and other strategic alliances
- (4) Design of formal planning systems, and how different designs are appropriate to various situations and environmental conditions
- (5) Innovation, technology strategy and strategy in global enterprises
- (6) Implementation of strategic decisions in organizations
- (7) Negotiations strategy as a strategic tool; the politics and culture fit of strategy implementation
- (8) Various topics of current interest including quality management, global development, NAFTA and the European community, service industry growth, social responsibility and ethics, and multicultural diversity
- (9) Strategic decision making, inductive logic, development of higher order thinking.

**Integration of Functional Areas:** As a decision maker, the student must be able to select, integrate, and apply his/her understand of the appropriate business disciplines (marketing, production, finance, accounting, human resources, information systems, etc.), and the material covered on corporate strategy, in order to successfully identify and respond to an organizational threat, problem, or opportunity. Ultimately, students should be able to make strategic decisions based upon a case scenario (in the time frame of the case) and defend those business decisions both orally and in writing. In other words, you should be making the transition from thinking like a student to thinking as a manager.

This course strives to encourage creative and critical thinking, the use of intuitive problem solving, adherence to corporate fiscal and social responsibilities, and the application of team management skills. It requires research, project and team management, and oral and written communication skills.

Note: This course will not be a “rote” memory course, but will focus on the advanced theoretical and historical foundations for strategic decision making in competitive situations. As such, and by design, you will be expected to work and excel in the world of competitive uncertainty and strategic fuzziness. Your course work, assignments, readings, lectures, and tests are all designed to enhance strategic decision making.

**Class Preparation and Participation:** Each student is expected to come prepared for class, and to contribute to the overall learning environment by actively participating in class discussions. Several cases, representing actual managerial problems to be discussed during the semester; cases need to be read and analyzed ahead of time and will be discussed in class to illustrate a particular strategic paradigm or method. As with any case type course, a successful learning experience must include active participation by class members.

**Class Attendance:** In courses such as this one, the nuances of the topic are only discovered during the class period lectures and discussions. Because of this class attendance is required, and each absence must be made up by showing the instructor an “original” set of notes. **Only one “made-up” absence will be allowed. Every missed session beyond this (or non made-up absence) will result in an overall reduction of your final grade by one-third.**

**Class Policies:** In courses such as this one, the nuances of the topic are only discovered with complete preparation and attentiveness during class discussions and presentations. For this reason, several policies have been developed to facilitate the learning process.

1. Late assignments are not accepted. Specifically, team and individual case analyses will never be accepted after the time which they are due.

2. Attendance is required and is critical to performance in this class. Lectures and materials presented in this class are critical. Class participation in quality discussion of readings and cases is also expected and taken into account when grades are calculated. **Only one absence will be allowed (see above). Each absence after this one will result in a reduction of your final grade by 1/3.**
3. Students will be placed in small teams for the analysis of a case and oral presentation (midterm). In any task requiring more than one person to complete, problems in equity of workload often occur. When this happens in industry, those who refuse to do their fair share are often given the option to resign or be fired. Group projects for this class require all to complete their share of the work in order to meet the course learning objectives. If any individual(s) is (are) not completing a fair share of the assigned projects, the team should discuss it with the professor immediately. If you wait until the end of the term, it is too late to take corrective action. A team member may be fired from a group if all other members agree – a fired student will receive an F in the course.
4. Peer evaluations will be completed by members of your team (10% of final grade).
5. The highest standards of grammar, spelling, and punctuation are expected on all written assignments. Written communication is an essential part of the business world. The content of your message can be obscured by how you say it. Papers which do not meet excellent communication standards will not receive an A grade regardless of the quality of the analysis.
6. Footnotes, or other appropriate means of citation of other's work, are required when you refer to materials used in writing your case analyses. This specifically includes material, which you paraphrase, or access via the Internet.
7. Makeup exams, where applicable, are only administered under extreme circumstances. If conditions require you to miss an exam, you must contact the instructor prior to test time.
8. Classroom Climate: The Cameron School of Business is a professional school providing education and training for student careers in the business world. Classroom climate is designed to assist students in developing the habits of behavior that will contribute to their success in the business world. Therefore, classroom policies will be established to promote and maintain a business-like atmosphere and to promote a healthy learning environment. Expectations include, for example:
  - Good manners, including courtesy extended to all
  - Removal of hats while in the classroom
  - Wearing of shoes while in the classroomSpecific expectations of appropriate behavior and dress will be discussed during the first class period.

## Basis for Grading

<b>1<sup>st</sup> Midterm Exam:</b>	<b>35%</b>
<b>2<sup>nd</sup> Midterm Case Analysis</b>	
<b>Written Report:</b>	<b>20%</b>
<b>Oral Presentation</b>	<b>15%</b>
<b>Discussion and Peer Evaluation</b>	<b>10%</b>
<b>Final Project</b>	<b>20%</b>
	<hr/>
	<b>100%</b>

The student will be graded over several areas including:

*A) 1<sup>st</sup> Midterm Examination (35% of final grade)*

A mid-term exam will be given. Approximately 1 week prior to the exam I will hand out a list of 8 to 10 specific topic areas of study. The actual exam will be 2 to 3 questions selected from this list of topics. The mid-term exam is closed book, with the exception of 1 note page allowed for the test.

*B) 2<sup>nd</sup> Midterm Case (35% of final grade)*

The second midterm exam will be the analysis and presentation of a case (both oral and written). This will be a small group case (3 or 4 people per group)

**Written Component:** The written component of the case exam must be typed, one and one-half spaces, standard margins, with a cover page showing your names, name of case and date. Length of the case will depend on the case but should not exceed 10 typed pages excluding the title page, table of contents and appendices including charts, graphs, etc. The orientation of the written case paper is three fold: a) identifying important issues raised in the case, b) recommending plans of action for the company to deal with these issues, and c) support for your recommendations, support meaning analysis and applications of concepts and models discussed in this class. A framework and outline for the project based upon a financial analyst report will be provided in class. Written report =20%

**Oral Component:** An oral presentation of the case will occur near the end of the semester. The oral presentation will be a professional presentation, in the style that a consulting firm would give to the CEO of a company. Each group will have 20 minutes for this presentation, and the oral component should communicate the basic points of the written report. Near the end of the semester we will have a class session devoted to professional presentation style and techniques; this information should be incorporated into your presentation. Presentation=15%

*C) Discussion of Cases/Class Participation and Preparation (10% of final grade)*

10% of your final grade will be based on relevant and analytical preparation and participation. This includes daily classroom discussion, and your oral contributions to the class, particularly during our in-class case analysis and discussions and contribution in your group project, graded by peers with a formal peer-review process (10%)

*D) Final (20% of final grade)*

A final project will be assigned. This is an individual effort, and will be to create in an artistic form a strategic concept from the class. This project is designed to do two things, a) truly investigate a strategy concept, and b) to enhance strategic thinking in terms of metaphors. The project will consist of the "art piece" and a write-up/essay describing the art piece and the metaphor, and the interactions between the two. This will be due on the day of the finals. Additional information will be handed out later in the semester.

**Schedule - Mgt 455  
Summer, 2009; Dr. Galbraith**

**Week 1**

*Thursday* 5/14 Introduction and course overview

**Week 2**

*Monday* 5/18 What is “strategy”?  
  
Discussion: strategy, strategic management process, and the strategic plan.  
Military analogies  
Read: pp. 4-17  
Hand-out: Library Assignment – Industry Data and Ratios. Due 5/26  
  
Role of Industrial Economics in Strategy, economic foundations

*Tuesday* 5/19 Industry structure  
  
Lecture: Porter’s 5-factor approach and Industry Structure  
Components of Industry Structure – rivalry and barriers to entry  
Film: Porter, segment 1  
Scan, pp. 40-57  
  
Lecture: components and use of industry structure,  
Read: pp. 57-70  
Lecture: SWOT Analysis and Case Analysis

*Wednesday* 5/20 Comprehensive Case (vertical integration theory)  
  
Analyze: *Aerosol Techniques, Inc* (from internet)  
Read: pp. 74-88

*Thursday* 5/21 WEB: Hernando de Soto lecture

**Week 3**

*Monday* 5/25 Memorial Day

*Tuesday* 5/26 Lecture: Industry Analysis, Ratios and Data  
  
Discuss: Library Assignment – Industry Data and Ratios  
Lecture: differentiation strategy (and other models)  
Read: pp. 90-111  
Porter’s differentiation strategy  
Hand-out case, form case teams, Hand out final art project

*Wednesday* 5/27 Competitive Rivalry (advanced issues)  
  
Lecture: Competitive Positioning – 1<sup>st</sup> movers, attack v. defense, prisoner’s dilemma, other aspects of advantage  
Resource Based Model,  
Lecture: Resource based models v. IO models  
Read: pp. 122-138.

Lecture: Building blocks of advantage – experience curves,  
innovation, efficiency, quality, and productivity  
Read: pp. 139-149

*Thursday* 5/28 Diversification Theory  
Lecture: Theories of diversification, synergy and scope economies  
Lecture: Matrix approaches, BCG, GE, Bain-Bubble  
Discuss: Introduction to Toran, Inc.  
Topic questions handed out for midterm  
Read: pp. 196-216  
Comprehensive case - diversification  
Case: Toran Corporation (from case packet)

**Week 4**

*Monday* 6/1 Analyze Toran Case (from internet)  
  
Introduction to international strategy  
Lecture: International Markets and Structure  
Read: pp. 236-243

*Tuesday* 6/2 International Strategy – Entry Modes  
  
Lecture: Exporting Strategies  
Read: 263-269.

*Wednesday* 6/3 International Strategy – Entry Modes  
  
Lecture: Licensing, Multinational enterprise, strategic alliances  
Read: pp. 243-262

*Thursday* 6/4 Mid-term exam

**Week 5**

*Monday* 6/8 Crises Management  
  
Lecture: Crises Management  
Read: pp. 316-329  
  
In-class: Perform a “Risk Analysis”  
  
Lecture: Professional Presentations and Case Analysis  
In-class case team organization and research  
Assign Presentation times

*Tuesday* 6/9 Matching Strategy to Compensation  
  
Lecture: Executive Compensation  
Read: pp. 330-347.  
  
Lecture: Negotiation Strategy  
Lecture: cooperative v. competitive  
Strategies, 2 party and multi-party negotiations.  
Strategic Negotiations Case: Beachside

*Wednesday*      6/10      Corporate Ethics and Responsibility  
  
Lecture: Approaches and theories, mini-case examples (in class)  
Read: pp. 417-426.  
Cultural Issues (Hofstede Model and 7 regions of the U.S.)

*Thursday*        6/11      Implementation Issues  
Lecture: "Balanced Scorecards"  
Individual Group Meetings with Professor; Case and Final Project

**Week 6**

*Monday*         6/15      Scheduled Case Presentations - see assigned time sheet

*Tuesday*        6/16      Scheduled Case Presentations - see assigned time sheet, Art Project is Due