

Course Outline 2014
BUSINESS 304: STRATEGIC MANAGEMENT (15 POINTS)
Semester 1, (1153)

Course Prescription

A case-based course that focuses on analysing and responding to complex organizational situations from a general manager's perspective. The processes of strategizing, the impact of organizational contexts and the subsequent strategic tensions are explored so as to understand the adoption of various strategic practices.

Programme and Course Advice

Prerequisite: At least 30 points at Stage II and at least 15 points at Stage II in Management, International Business or Innovation and Entrepreneurship.

Restriction: MGMT 302

Goals of the Course

The overarching purpose of this course is to help pull together the different theories and skills you have acquired on your management-based educational journey. The course adopts the perspectives of the general manager, as they tend to be acquainted with all of the functional areas within an organisation. Thus, the general manager's approach is predicated on a holistic view of the organisation. In line with the views of de Wit & Meyer, this course seeks to develop your understanding of strategy in three key areas:

Knowledge To encourage the understanding of the many, often conflicting, schools of thought and to facilitate the gaining of insight into the assumptions, possibilities and limitations of each set of theories.

Skills To develop the ability to define strategic issues, to critically reflect on existing theories, to creatively combine or develop theories where necessary and to flexibly employ theories where useful, to clearly articulate their analysis and its implications.

Attitude To install a critical, analytical, flexible and creative mindset which challenges organisational, industry and national paradigms and problem solving recipes.

This course requires you to prepare and discuss the assigned cases in class. Many of the cases used in this course have either financial or operational data. You are expected to have sufficient numerical and financial ability to make sense of such information. Case analysis is only part of the of a case-based course. In order to do well in this class you need to participate in the class discussions, revealing the depth and quality of your analysis. If you are reluctant to participate, you need to ask yourself "Should I be taking this course?"

Learning Outcomes

By the end of this course it is expected that the student will be able to:

1. explain the nature of strategy;
2. identify a company's strategy in terms of its content, process, and context;
3. distinguish between activities in a company that are strategic and those that are operational;
4. describe the strategic tensions and their corresponding strategic perspectives;
5. know the main sources of each of the tensions, and their main proponents;
6. formulate linkages between each of the tensions;
7. illustrate the implications of each pole of the tensions as they apply to a company or case;
8. employ the concepts and tools of strategy in order to construct a strategy;
9. evaluate the quality of a proposed, or actual, business strategy;
10. develop and justify appropriate assumptions in order to deal with the complexity and ambiguity experienced by companies;
11. present an oral justification for a strategy or aspects of a strategy; and,
12. be an active participant in a group discussion and constructively manage that discussion.

Content Outline

This course gives a broad overview of the essential aspects of strategic management at a local, national, and international level. The most fundamental distinction made in the field of strategy is between strategy process, strategy content, and strategy context. These are the three dimensions of strategy that can be recognized in every real-life strategic problem.

- **Strategy Process:** The manner in which strategies come about is referred to as the strategy process. Stated in terms of a number of questions, strategy process is concerned with the how, who and when of strategy — how is, and should, strategy be made, analysed, dreamt-up, formulated, implemented, changed and controlled; who is involved; and when do the necessary activities take place?
- **Strategy Content:** The product of a strategy process is referred to as the strategy content. Stated in terms of a question, strategy content is concerned with the "what" of strategy — what is, and should be, the strategy for the organization and each of its constituent units?
- **Strategy Context:** The set of circumstances under which both the strategy process and the strategy content are determined is referred to as the strategy context. Stated in terms of a question, strategy context is concerned with the where of strategy — where, that is in which organization and which environment, are the strategy process and strategy content embedded (de Wit & Meyer, 2005, p. 5).

In practice, these three 'threads' of strategy are tightly interwoven, and to some extent the course seeks to unravel them so they might be better understood. Nevertheless, strategic management is an integrative activity (see, for example, Ohmae, 1982). It is somewhat illusionary to split up the course in to "bite-sized pieces" in the hope that they will come together and form a coherent whole and the end of the course. Thus, whilst a list of topics is provided, they cannot be simply mapped on to individual weeks. The approach adopted in the course is to develop your understanding of the topics (albeit a different rates and by different amounts) each week.

Learning and Teaching

Strategy isn't something an organisation has, it is something people do (Jarzabkowski, 2005). Thus, we centre our approach to teaching strategic management on 'doing strategy' by spending most of our time together discussing strategy as it applies to a number of cases. However, it is important that you know the theory that supports many of the ideas upon which strategic management is built. Consequently, this course has two facets—a weekly quiz (to ensure that you have studied the assigned readings) and a weekly case discussion period (to develop your ability to apply the ideas about which you have read). This means that you should have studied the assigned readings before taking the quiz. The purpose of the quiz is to help you stay up to date with the readings, to obtain regular and rapid feedback on how you are doing in the course, and to lay the theoretical basis for the subsequent case discussion. After the quiz, there will be a discussion of the ideas and issues raised by you regarding the readings.

The focus of the second class session will be the exploration of the issues raised by the readings in relation to a given case. Since participation accounts for a significant percentage of the final mark, attendance at these discussion sessions is highly recommended. Achieving a high grade for the course is only possible by high quality participation during the discussions.

Managers typically have little time to read, and even less time to write. They accomplish most of their communication orally. You have to learn how to do analysis effectively and communicate it efficiently. The case discussions are chances for you to practice convincing your peers that your approach has insight and value for the in regards to the managerial challenges you identify.

Teaching Staff

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Time management

It is expected that the *average student* will need to spend approximately 10 hours per week on work relating to this course. Of that time, about three hours take the form of classwork. The remaining seven hours should be split between (a) completing the week's readings, and (b) preparing your position on the case.

You should also spend 30 minutes or so each week writing up how the current week's readings and case are relevant (or not) to the final case study. The end of the term is usually a busy time for most students, so working on the final case each week will lessen your load at that time.

Note: There is no opportunity to make up for missed classes.

Learning Resources

The textbook upon which this course is based is:

de Wit, B., Meyer, R., Smith, P. & Erakovic, L. (Eds.). (2015). *BUSINESS 304 Strategic Management*. (1st ed.). NZ: Cengage Learning.

This book is available either as a printed version or as an ebook. The printed edition is available through UBS. To purchase the eBook, please do the following:

- Visit <http://www.cengagebrain.co.nz>
- Enter the print book ISBN in the “search” bar at the top of the page: 9780170366564
- Select the VitalSource eBook on the right of the page, and “add to cart”
- Then simply follow the prompts to purchase.

Note: This text book is significant revised from the version used in previous years. It contains all of the readings required for the course, together with the cases that will be used.

Assessment

Assessment	Approximate weighting	Learning outcomes	Notes
Weekly quiz	40%	1–7	In-class; Weeks 2–11; best 8 of 10
Class participation	40%	All	In-class; Weeks 2–11
Written case	20%	All	In-class; Week 12

Weekly topics

Week	Topic	Readings	Case
1	Introduction to the course	Course outline	Edward Marshall Boehm (Handout)
2	Introduction to strategy	Chapter 1, Readings 1.2 and 1.3	Honda
3	Strategic thinking	Chapter 2, Readings 2.1 and 2.2	Apple Inc
4	Strategy formation	Chapter 3, Readings 3.1, 3.2, and 3.4	United Parcel Service
5	Strategic change	Chapter 4, Readings 4.3 and 4.4	PEP
Mid-semester break			
6	Organisational purpose	Chapter 11, Readings 11.1 and 11.2	PHARMAC
7	Business level strategy	Chapter 5, Readings 5.1 and 5.4	Fonterra (Handout)
8	Corporate level strategy	Chapter 6, Readings 6.1 and 6.2	Fletcher Challenge
9	Industry context	Chapter 8, Readings 8.1 and 8.2	Bottled water industry
10	Organisational context	Chapter 9, Reading 9.1, 9.2, and 9.3	HP
11	Strategic innovation	Chapter 9, Reading 9.2 and 8.3	Right Hemisphere
12	(No quiz this week)	Written case analysis, in class.	Pfizer NZ (Handout)

Note: There are two different versions of 'Chapter 9' in the textbook. Also, reading 8.3 comes after Reading 9.2 (from the 'second' Chapter 9).

Weekly quizzes

You are expected to do two to four readings every week. To help motivate you to do the readings, your comprehension of the readings will be assessed using multiple-choice questions. The quiz will take 15–20 minutes at the start of the class. Only your best eight out of all ten quizzes count toward your final mark. In this way, you have a few 'spare' quizzes. If, for any reason, you miss a quiz, it will be treated as one of your 'spares'; there will be no opportunity to make up for a missed quiz.

Our assumption is that by Stage III, you will have developed the skills to read effectively, to ask for help when you need it, and to make sense of a textbook such as that used on this course. You will receive continuous feedback every week on your performance in the quizzes and for class participation. It is up to you to seek the help of your lecturer if you are not achieving the standards you have set for yourself.

Case analysis: Class discussion and participation

In the second class of each week, we will discuss the assigned case (as shown above). You need to be prepared for the class discussions. You should prepare a specific "position" on the case—rather than just knowing the details of the case. That is to say, assuming you were in charge of the organisation in the case, you will know what you would want to do; why you want to do it; how you would do it; and the outcomes you would expect. In doing so, you should consider the topics of the course as they relate to the case.

As already stated, you are expected to be prepared. If you cannot meet this objective, notify the instructor before class. Do not try and “wing it” if you have little to say; you would be using class time that could be used more effectively by your fellow students, and this will not endear you either to them or to the instructor.

Participation during class discussion is worth 40% of course marks. We award marks for participation based on quality of participation not the quantity. No marks are awarded for attendance. Each week we record the quality of participation on a three-point scale.

1. Minimal level of participation. Lacks depth in either theoretical or logical support.
2. Acceptable level of participation. Exhibits solid theoretical and logical support.
3. Good level of participation. Uses theory and logic support to demonstrate insights about the material.

Note: The focus of this scale is on the quality of participation, not the quantity. Thus, it is possible to participate once during a discussion and receive a 3. Indeed, you should always assume that you will only get one chance to speak, so you should make sure what you say is worthwhile.

At the end of the semester the mix of 1s, 2s, and 3s that you get will be used to award a mark for participation. It is expected that you are ready to participate each week. The class should manage itself to ensure everyone gets a ‘fair go’.

You may be anxious regarding how the 1s, 2s and 3s are translated into your final mark. Alas, there is no simple formula. However, here are some rules of thumb (which means they are a rough guide and not absolute).

- If the majority of your marks are 3s then you will be in the A range; that is 32–40 out of 40 (assuming the rest of your marks are 2s).
- If the majority of your marks are 3s and 2s you will be in the B range; that is 26–31 out of 40.
- If you get 2s for all of your participation the highest possible grade you can achieve will be in the C range; that is 20–25 out of 40.
- If you get all 1s then your grade will be D-, which will be treated as 7/40.

You should see that getting 3s has the most impact on your marks, and getting 1s has little impact on your mark. You should also recognise that no amount of 2s is equivalent to a 3. Also, we will take into account all ten discussion sessions in deciding about the final mark.

Your learning is your responsibility. You should monitor your marks each week to measure your progress. If you have problems with consistently achieving a “passing” mark in the quizzes or in participation, then you should seek assistance from the lecturer. The marks for the quiz and participation will normally be available on Cecil by the end of the week.

Written case analysis

As part of the assessment of this course, you will produce written analysis of the case. You have the whole semester to prepare your analysis. In week 12, instead of the usual class discussion, you will be required to complete a written analysis. You will have to answer the questions based on the case in the allotted time (around 100 minutes).

Preparing for the written case analysis: You should seek to demonstrate your ability to conceptualise and prioritise the issues presented in the case. Mere retelling of the events and facts of the case will earn little credit. Rather, you should seek to use the information from the case to support and justify your analysis. Furthermore, it is impossible to do well in this assignment without linking your analysis to the readings from the course.

This assignment is based on analysis, not on research. There is neither the need, nor a requirement to do further background research on the company.

Written case marking criteria

Content: 4%

- The answers cover all questions
- Major issues are clearly identified
- Awareness of issues and their importance in the context of the case

Analysis: 14%

- Analysis relevant to the defined issues.
- Arguments soundly based in theory and data
 - In-depth theoretical elaboration of the issues;
 - Comparative utilisation of two theoretical perspectives; and
 - Supported by data from the case.
- Arguments clearly developed; use of evidence (from the readings and the case) to support the analysis.
- Ability to integrate key points raised in class discussions and assigned readings.

Organisation, presentation and style: 2%

- English writing style (grammar, sentence and paragraph structure etc).
- Structure.

Written case guidelines

1. No textbooks will be allowed.
2. You will be given a clean copy of the case for use in the class.
3. You will be given a sheet with the questions.
4. You may bring in 1 A4 sheet (double sided) of handwritten notes. *No typed notes are allowed*
5. Your notes must be handed in at the end (with name and ID number on sheet).
6. You should consider all the topics from the course in your preparation.
7. The first class of week 12 will be used to answer any questions you have about the written case analysis.

Study groups

Over the years, it has become apparent to the lecturers that students who study and prepare the cases together get better marks than students who come to class "cold". Discussing the case in study groups is an excellent way of:

- Developing confidence in your analysis; for quiet students this can make a big difference in their willingness to participate, and hence their marks.
- Enhancing your understanding of the case.
- Making links between the case and theory.

Taking a position on a case

Typically, taking a position on a case means that based on your knowledge of the case and the theory that you have learnt, you exercise your judgement to justify a strategy for the organisation. In other words, you answer the question, "If I was in charge of the company (in the case), what would I do to achieve and sustain an economic advantage?"

As you progress through the course, and as you are exposed to more cases and more theory, it is expected that your analysis, and thus the type of position you advocate, will become increasingly sophisticated. Thus work that gets a 3 in week two might only get at 2 in week nine.

There are many approaches to developing a position on a case. What follows is one relatively robust method. Having said that, it is possible that by the end of the course you will see weaknesses in the method. Thus you should feel free to adopt any method with which you are familiar and experienced. Taking a position can be tackled through by considering (1) the situation of the company, (2) the complication or problem that faces the company, (3) your proposed solution, and (4) the impact that your solution will have. There should be a clear chain of logic from situation, to complication, to solution, to impact. You might find Barbara Minto's book (2002) helpful in this regard.

It is unlikely that in the class people will adopt identical positions, and there certainly is no single 'right' position; but there are many poor positions. The intention is that you develop viable position.

As part of your analysis of the case you need a clear understanding of the situation before developing a strategy. Ohmae (1982, p.91) says, "In the construction of any business strategy, three main players must be taken into account: the corporation itself, the customers, and the competition. Each of these 'Strategic 3Cs' is a living entity with its own interests and objectives." Therefore, you need to know what the corporation/business does, who its customers are, and how the competition in the industry works. Understanding the situation is critical in developing your position—a weak understanding of the situation tends to result in you adopting a weak position.

The Corporation You should consider what does the organisation do? What are its key processes and capabilities? How does it make money (i.e. where does its major revenues come from; likewise, what are its major costs). What is the nature of the relationship with suppliers? What is its existing strategy? What is the business culture(s)?

The Customer Who are the customers? How are they segmented? How does the business meet (or not) the needs of the customers? Are the customers locked in?

The Competitors Who are the corporation's competitors? How 'good' are they at competing? What are the 'rules of the game' in this industry? How do those rules relate to

the industry's economics? What are the key success factors? Who might be partners? What are the key trends in the industry?

Ultimately, you should understand how the corporation creates value for the customer, and how the competition creates value. At the same time, you should understand the nature of the costs the corporation incurs, and the nature of costs that the competitors incur. This will give you a sense of the relative position of the corporation with regard to the competition.

Some of this information will be in the case. Some will be in the 'numbers' and figures that accompany the case. In general you do not need to do any further research on the firm or the industry. However, there may be times when, despite reading the case, you are unsure of some critical aspects—at those times you will need to read more widely.

Policies

Inclusive Learning

Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the Peter.

Student feedback

Your feedback is valuable to us. We will use it to improve the course content and our facilitation of the course. Your informal feedback (given directly to me) and formal feedback (through the Staff Student Consultative Committee and through course evaluations) is used to improve the course.

During the last iteration of the course, no particular issues were raised as part of the Staff Student Consultative Committee process.

At the end of the last delivery of BUSINESS 304, course and lecturer evaluations were undertaken. The benchmark question "Overall, I was satisfied with the quality of this course" scored 84, and the questions "Overall, the lecturer was an effective teacher", scored 87. In terms of the University's evaluation processes these are good outcomes.

Looking through the qualitative feedback from the class a number of themes emerged.

1. The Radio 1 case: A few people felt this video case was rather dated and should be replaced. This case has been replaced with the Fonterra co-op case.
2. Lectures: Four people asked for lectures to be introduced to cover the readings. They often noted that they could not grasp the material without guidance. As noted in the course outline, if you have problems mastering the readings, then please ask for help from your lecturer.
3. The 8 o'clock start: Some people found the early start challenging. With the change in course timing (to 9 o'clock), I hope that this will no longer be an issue.
4. Learning outcomes and directions: There were some request for learning outcomes. However, there was little explanation on this matter, so I am going to assume that what was meant is that learning outcomes for each week are wanted. There are no specific learning outcomes for each week, and this probably needs some explanation. There are a set of learning outcome for the course as a whole, and it is expected that you will incrementally get better at all of the learning outcomes over the duration of the whole course; in other words, there is no particular week in which any one learning outcome is specifically targetted. Rather, in a fashion similar to that noted in the

section *Content Outline*, the more you practice/work-at all of the learning outcomes (each week), the better you are expected to get at achieving them.

5. Discussion structure, and 'floor hoppers': Many students find it frustrating when the discussion lacks structure, or when people 'hog the floor' (i.e., talk far more than is a reasonable share). These two issues are related. During the first few classes, I normally talk about how the class has to manage the discussion. If people are not prepared—if they do not have a clear position on the case—then it will meander. We will end up "boiling the ocean" and getting no where. Likewise, if people do not have a clear point that is connected to the discussion, then they are likely to talk, and talk, and talk. Class members need to learn to monitor and manage the class conversation. Realistically, I can not do that by myself; you need to intervene when the discussion is not 'working'. There is a learning objective around this point. As always, if you are not sure how you might constructively intervene, then please seek help from your lecture.

More generally, some students find it challenging to speak in large class. As a significant portion of students' final grades are based on participation, *if you find it hard to engage in discussions with the whole class this may not be the course for you*. However, if you need some coaching to improve your participation, I am very willing to help, and I have a track record of success with students who approach me for assistance with participation. Having said that, if you leave asking for help until late in the course it may not be practical to make a significant improvement in your participation.

Copyright warning notice

The course material is protected by copyright and has been copied by and solely for the educational purposes of the University under licence. You may not sell, alter or further reproduce or distribute any part of this course material to any other person. Where provided to you in electronic format, you may only print from it for your own private study and research. Failure to comply with the terms of this warning may expose you to legal action for copyright infringement and/or disciplinary action by the University.

Cheating and plagiarism

The University of Auckland regards cheating as a serious academic offence.

Plagiarism is a form of cheating. In coursework assignments submitted for marking, plagiarism can occur if you use the work and ideas of others without explicit acknowledgment. Work can be plagiarised from many sources, including books, journal articles, the internet, and other students' assignments. A student's assessed work may be reviewed against electronic source material using computerised detection mechanisms. Upon reasonable request, students may be required to provide an electronic version of their work for computerised review.

The way of avoiding plagiarism is to reference your work properly. If you are in doubt about how to reference properly, ask someone; your lecturers, tutors and the Student Learning Centre are good places to start. Please refer to the following website for further information about academic referencing: www.cite.auckland.ac.nz/

The document *Guidelines: Conduct of Coursework* provides further advice on how to avoid plagiarism. It can be found at: www.business.auckland.ac.nz/conductcoursework

The penalties for plagiarism can be severe, including losing some or all of the marks for the assignment. For the first instance of cheating, if it occurs in this department, your assignment will not be marked, which effectively gives you zero for the assignment. There

will be no opportunity to do a 'make up' assignment. Major offences can be sent to the University's Discipline Committee, where further penalties can be imposed.

Third party assistance with coursework

While you are encouraged to improve your coursework writing skills and are permitted to seek assistance from third parties you are advised that there are important limits on the amount and type of assistance that can be given to you in completing your assignments, including group work. Third parties include fellow students, reading groups, friends, parents, SLC tutors, and paid-for professional editing services.

There is a set of guidelines which clearly indicates the type of advice and assistance that can be given. If you are seeking the assistance of any third party you are required to give a copy of the guidelines to the person prior to them helping or assisting you.

You are also required to only seek and accept help using a printed version of your work, not an electronic version. You must keep a copy of this printed version and produce it if required.

A copy of the guidelines is available at: www.business.auckland.ac.nz/thirdpartyassistance

Help with academic referencing

Acknowledgement of sources is an important aspect of academic writing. The University's Referecite website www.cite.auckland.ac.nz provides students with a one-stop online resource for academic referencing needs. Referencite explains the essentials of referencing and how to avoid plagiarism. It also includes practical tools to help students reference correctly, use references effectively in writing, and gives fast access to some major reference formats with examples.

References

de Wit, B., & Meyer, R. (2005). *Strategy Synthesis: Resolving strategy paradoxes to create competitive advantage: Text and readings* (2nd ed.). London: Thompson Learning.

Jarzabkowski, P. (2005). *Strategy as practice: An activity based approach*. London: Sage Publications.

Minto, B. (2002). *The pyramid principle: Logic in writing and thinking*. New York: Prentice Hall.

Ohmae, K. (1982). *The mind of the strategist: The art of Japanese management*. New York: McGraw-Hill.