9-2014

BMGT 426.01: Strategic Management

Suzanne G. Tilleman

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BMGT 426: Strategic Management
Autumn 2014: Common Syllabus for all Sections
Three credits (3 cr.), Traditional Grading option only
Course Pre-requisites: BFIN322, BMGT340, BMKT325

Sections 1, 2, and 3
Instructor: Dr. Suzanne Tilleman – GBB 369
Office Hours:
M/W 8:30 - 9:30 AM
Other times by appointment
**I am in my office quite often and have an open door policy**
Telephone: (406) 243-2915
Email: suzanne.tilleman@business.umt.edu
Class Location: 1. GBB 226; MW 9:40-11:00 AM
2. GBB 226; MW 11:10 AM-12:30 PM
3. GBB L09; MW 2:10 PM – 3:30 PM
**You are expected to attend the section for which you are registered**

Class Web Page: UMOnline (Moodle; http://umonline.umt.edu)

School of Business Administration Mission Statement
The University of Montana's School of Business Administration is a collegial learning community dedicated to the teaching, exploration, and application of the knowledge and skills necessary to succeed in a competitive marketplace.

School of Business Administration / Assessment and Assurance of Learning
As part of our assessment process and assurance-of-learning standards, the School of Business Administration (SoBA) has adopted the following learning goals for our undergraduate students.

Learning Goal 1: SoBA graduates will possess fundamental business knowledge.
Learning Goal 2: SoBA graduates will be able to integrate business knowledge.
Learning Goal 3: SoBA graduates will be effective communicators.
Learning Goal 4: SoBA graduates will possess problem solving skills.
Learning Goal 5: SoBA graduates will have an ethical awareness.
Learning Goal 6: SoBA graduates will be proficient users of technology.
Learning Goal 7: SoBA graduates will understand the global business environment in which they operate.

Course Objectives:
This course involves business strategy, which is concerned with answering the question: “Why are some organizations more successful than others?” With that in mind, we first analyze the external environment and the firm’s unique features, then consider measurement tools, and finally investigate interrelationships between firms within industries. The culmination of the course is a comprehensive, well-reasoned strategic recommendation for a business.
By the end of this course, you will be able to:

- Assess an industry to determine its attractiveness
- Evaluate a business using specific analytical techniques and frameworks
- Understand how to compare and choose among strategic alternatives

Course Format and Expectations:

1. MGMT 426 is fast paced. Our class time will be devoted to lecture, discussion, and case analysis.

2. Preparation expected before class:
   - All reading and assignments for the day have been completed,
   - You have given thought to the topics to be discussed,
   - You are prepared with questions about relevant issues you want to discuss, explore, or challenge.
   - All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or disciplinary sanction by the University. All students need to be familiar with the Student Conduct Code. The Code is available for review online at http://life.umt.edu/vpsa/student_conduct.php
   - All students are expected to adhere to the SoBA Code of Professional Conduct. It is available for review at http://www.business.umt.edu/Soba/SoBAEthics/CodeofProfessionalConduct.aspx
   - Cell phones and PDAs must be turned to silent during class time.

Readings:

- Mastering Strategy: Workshops for Business Success. Braun, M.R. & Latham, S.F. The text is available through the bookstore and online. Online you can purchase a digital copy if you prefer.
- Moodle – Additional resources are posted on our MoodleRooms site. Typically, they are PDF files.
- Harvard Cases - Students purchase the four cases from the Harvard Business Publishing site. The link https://cb.hbsp.harvard.edu/cbmp/access/28351463 will take you to my electronic course pack for the cases used specifically in this course. The total cost should be $15.80
- Wall Street Journal – Subscription is required, at the reduced student rate the cost should be $15.

Assignments, Evaluation, and Grading:

Seventy percent of your grade individually determined (participation, exams, and cases). The remaining thirty percent of your grade is determined by group performance (presentations). The breakdown of the evaluation is as follows:
<table>
<thead>
<tr>
<th>Participation - Professor assessed</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation - Peer assessed</td>
<td>10%</td>
</tr>
<tr>
<td>Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>20%</td>
</tr>
<tr>
<td>Case Quizzes</td>
<td>10%</td>
</tr>
<tr>
<td>External Analysis</td>
<td>Formative assessment</td>
</tr>
<tr>
<td>Internal Analysis</td>
<td>Formative assessment</td>
</tr>
<tr>
<td>Strategic Recommendation</td>
<td>(Presentation 10% + Content 20%) = 30%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Participation:**

Class participation is a function of preparation, skills, attitude, and a willingness to share one's ideas with the class. Frequent and ongoing evaluation will be made in this area, and credit will be given for progress over the term.

**Comments in Class**

Simply attending class is necessary but not sufficient. This course has a large case component and thus requires more of students than a conventional, lecture-based course. Not only should students be familiar with the fundamental concepts presented in the accompanying text for each class, but even more importantly, they should also be intimately familiar with the details of the case. You should identify the critical problems presented in the case, calculate and assimilate appropriate financial figures, generate and evaluate alternate courses of action, and be able to select and defend your choice. This course prepares you for a managerial career, in which you will do these same tasks, albeit in significantly more detail. Please bring all case materials, including notes, calculations, and/or outlines you’ve generated during your preparation, to class. Keep in mind while analyzing cases that there is no single right answer, but some answers are better than others. To find those, apply strategic concepts and critical thinking to the situations presented.

You may be ‘cold-called’ upon to state your major conclusions and then to provide evidence and analysis in support. Even if the situation appears ambiguous, it is important to examine data, reasons, and assumptions that make some answers better than others. Managers usually have limited information or face ambiguous situations when making decisions. For class discussion you will be expected to draw from all the relevant readings and class discussions to date. Also, please respectfully listen to your classmates and suggest supporting or alternative views. Thoughtful debate is highly encouraged. I will not assign participation scores every day, rather I am looking for comments that contribute to discussion or even better substantially moves discussion forward, such as by applying relevant frameworks, solving problems, providing alternate interpretations. I may occasionally give out a “gold star” in class when discussions are taken to a new level.

**Peer Assessed Participation**

Team members are required to evaluate each other on group participation. Each student will have 100 points to distribute among the members of their group including themselves, based on how they felt the other members of the group participated in the group process. This evaluation is due by 5 pm of Wednesday, December 10.
Finally, if a team member is not performing, the group may agree to remove that member. This may be done only after consulting with the professor and making repeated attempts to motivate the team member. A team member who is removed from a team must complete the assignments individually and forfeits one-half of the possible course participation points.

Potential for Extra Credit
Mr. Thomas C. Schievelbein, Chairman of the Board, Chief Executive Officer and President at The Brink’s Company will give the annual Gilkey Lecture. October 30th at 5:30 PM in GBB 106. I will give extra credit participation points if you choose to attend.

Major Assignments

1. **Exams:** Class exams are on **October 15**, and **November 12**. This will cover all materials through that date. Anything assigned, stated, or written on board or PowerPoint slides may be on the exam. Students arriving more than 15 minutes late will not be permitted to take the examination and will receive no points. Once you arrive to take the examination, you will not be allowed to leave the room until you are finished. All questions regarding examination scoring must be raised with the instructor within one week of posting grades. University and college guidelines governing all forms of academic dishonesty will be strictly enforced. An “incomplete” grade or extra credit assignments will not be given as a remedy for a poor or failing grade. If a student misses an exam, he/she may take a cumulative make-up exam during the scheduled final exam time for the class. You may choose to take the make-up exam in replacement of a low exam score, but whatever you score on the cumulative make-up exam will replace the previous exam score even if it is a lower score!

2. **Presentations:** Teams present thrice, the first and second presentations provide an opportunity for the students to focus on the situation and receive feedback without a predetermined strategy. The third presentation will very quickly discuss the situation, but will mainly focus on the strategy and implementation for the recommendation. See the Strategic Plan handout for more details on this group project. The first two presentations are not scored, but feedback is given so that students may perform their best on the final presentation.

3. **Case Quizzes:** In order to assess your case preparation, short quizzes will be given at the beginning of class on the day we discuss the case. There are no make-up quizzes.

Please find a detailed class schedule on the next page.

Other Information

EMAIL: According to University policy, faculty may only communicate with students regarding academic issues via official UM email accounts. Accordingly, students must use their umontana or umconnect emails. Email from non-UM accounts will likely be flagged as spam and deleted without
further response. To avoid violating the Family Educational Rights and Privacy Act, confidential information (including grades and course performance) will not be discussed via phone or email.

ACCOMMODATION: The University of Montana assures equal access to instruction through collaboration between students with disabilities, instructors, and Disability Services for Students (DSS). If you think you may have a disability adversely affecting your academic performance, and you have not already registered with DSS, please contact DSS in Lommasson 154. We will work with you and DSS to provide an appropriate accommodation.

About the Professor

Suzanne is a Montana native who is thrilled to join SoBA. Prior to earning her PhD from the University of Oregon, Suzanne worked in industry for seven years and taught at Montana State University-Northern for four years. Her industry experience includes working for General Electric, Exxon, and Monsanto as an engineer and marketing manager. Additionally, she was instrumental in the creation of the Montana Cooperative Development Center, a state-wide resource for cooperatives.

After graduating with a Bachelor of Mechanical Engineering from Georgia Tech, Suzanne earned her Master’s of Business Administration from Tulane University. Her research interests include organizational theory and strategy, regional business clusters, and social and sustainable entrepreneurship. In addition to her research, Suzanne has received teaching awards from the University of Oregon College of Business, U.S. Association of Small Business and Entrepreneurship, and the University of Montana School of Business Administration.
# Detailed Class Schedule

Subject to change – changes will be announced in class and on through Moodle.

MS = Mastering Strategy textbook; HC = Harvard Case; MD = Posted on Moodle

! = Required reading; * Recommended reading

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading Assignments (Complete Before Class)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Aug 25</td>
<td>Introduction &amp; Overview</td>
<td></td>
</tr>
</tbody>
</table>

### CLASS PREPARATION
Find two companies; One company that made an appropriate trade off in order to be consistent with its larger strategy, (see Southwest, pg. 8, example) and one company that failed to make a tradeoff and confused its strategy.

| 3. Sep 1   | HOLIDAY                                      |                                            |
| 4. Sep 3   | Case Method & Research Resources             | MS !Workshop 2: Understanding the Business Climate MD *Analyzing Cases |

### CLASS PREPARATION
Find an industry that is undergoing significant change right now; Define the core assets and activities, how it is threatened, the type of change, and something a company in that industry could do to mitigate the change.

**Determine Business Plan Team Members & Email to Professor**

| 5. Sep 8   | Case analysis                                | MD !Robin Hood MD *How to Read a Financial Report |

Company Determination Due; Email Professor the name of company/division, & plan for obtaining financial data and why you selected this company.

| 6. Sep 10  | External Environment                         | MS !Workshop 3: SWOT & Generic Strategies |

### CLASS PREPARATION
Use the Generic Strategy Matrix to look at the grocery industry;
- Give an example of a local or national grocery business that occupies one of the four quadrants
- Give an example of one grocery business that might be SITM (Figure 3.2 offers the framework)

| 7. Sep 15  | External Environment cont.                   | MS !Workshop 4: The Five Forces MD * Purdue Five Forces Worksheet |

| 8. Sep 17  | Case analysis                                | Handout of case (TBD) |

If time allows, teams will be given time to work and ask questions.
9. Sep 22  External Environment cont.  MS  Workshop 5: The Value System

        If time allows, teams will be given time to work and ask questions

10. Sep 24  Case analysis  HC  Pharmaceutical Industry: Challenges in the New Century

        If time allows, teams will be given time to work and ask questions

11. Sep 29  Presentations on External Analysis

12. Oct 1  Presentations on External Analysis

13. Oct 6  Internal Analysis  MS  Workshop 6: The Value Chain
        Handout of case (TBD)

14. Oct 8  Internal Analysis cont.  MS  Workshop 7: The Core Competence

CLASS PREPARATION
Draw a competency tree for a company you are familiar with; see Figure 7.1 and 7.2 for guidance

15. Oct 13  Internal Analysis cont.  HC  Patagonia

16. Oct 15  Exam 1

17. Oct 20  Presentations on Internal Analysis

18. Oct 22  Presentations on Internal Analysis


20. Oct 29  in-class video Discontinuous Innovation, Clayton Christensen
        In class worksheet (call number for video and copy of worksheet posted on Moodle)

21. Nov 3  Corporate-level Strategy  MS  Workshop 8: Diversification
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Instructor</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>23. Nov 10</td>
<td>Case analysis</td>
<td>CB</td>
<td>Bombardier Transportation and the Adtranz Acquisition</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>If time allows, teams will be given time to work and ask questions</td>
</tr>
<tr>
<td>24. Nov 12</td>
<td>Exam 2</td>
<td></td>
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<tr>
<td>26. Nov 19</td>
<td>Case analysis</td>
<td>CB</td>
<td>Boston Lyric Opera</td>
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<tr>
<td></td>
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<td>If time allows, teams will be given time to work and ask questions</td>
</tr>
<tr>
<td>27. Nov 24</td>
<td>Case analysis</td>
<td></td>
<td>Handout of case (TBD)</td>
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<tr>
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<td>If time allows, teams will be given time to work and ask questions</td>
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<td>28. Nov 26</td>
<td>HOLIDAY</td>
<td></td>
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<tr>
<td>29. Dec 1</td>
<td>Strategic Plan Presentations</td>
<td></td>
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<tr>
<td>30. Dec 3</td>
<td>Strategic Plan Presentations</td>
<td></td>
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</tbody>
</table>

Final exam time is reserved for cumulative make-up exams

<table>
<thead>
<tr>
<th>Section</th>
<th>Time</th>
<th>Final Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>MW 9:40 AM - 11:00 AM</td>
<td>Final time = 8:00 AM - 10:00 AM Wednesday, December 10</td>
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<tr>
<td>Section 2</td>
<td>MW 11:10 AM - 12:30 PM</td>
<td>Final time = 8:00 AM - 10:00 AM Friday, December 12</td>
</tr>
<tr>
<td>Section 3</td>
<td>MW 2:10 PM - 3:30 PM</td>
<td>Final time = 1:10 PM - 3:10 PM Monday, December 8</td>
</tr>
</tbody>
</table>

If students want to take their final with a different section please let me know as soon as possible so that I have enough exams and a large enough classroom