Winter 1-1-2004

MBA 694.01: Competitive Strategy - Mergers, Acquisitions and New Business

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University of Montana School of Business Administration
MBA 694
February 20-22 2004
Competitive Strategy; Mergers, Acquisitions and New Business

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Readings:
Required: Porter: Competitive Strategy
Chapters: 1-3 / 5 / 7 / 11-12 / 16
Suggested: Reis: Focus

COURSE OVERVIEW
This course will be an intensive review of the principles of competitive strategy. The course will emphasize the use of competitive analysis techniques to review planned mergers, acquisitions and entry to new business by existing firms.

The condensed format of the course requires that each student have exposure to these techniques. Reading of Porter’s Competitive Strategy is required prior to the beginning of class. This text will form the basis of all discussion in the class.

The course will be interactive and include some lecture but it will rely on spirited discussion and case study. A final paper, to be completed outside of class, will be required.

COURSE OBJECTIVES AND TEACHING METHODOLOGY
This course will focus on the use of analytical tools to assess the competitive environment of various industries and the position of specific companies in that industry. It will make use of the assessment tools in order to develop competitive strategies for entry through the creation of new business, merger or acquisition.

The course will make use of lecture, discussion and group case study. Cases will be formed around current events in the topic area.

Following the seminar each student will be responsible for addressing a particular industry and developing a competitive analysis for that industry and the competitors within it. The student is expected to write a report making use of the Michael Porter methodology for analysis.
EXPECTATIONS

Students are expected to arrive at this seminar having read the required text and ready to offer their opinions and views. This is a interactive class that requires active participation by all. Other reading that will help, although it not required, is:

- Focus: The only option for the future of your company. By Al Ries.
- Nuts! Southwest Airlines’ Crazy Recipe for Business and Personal Success. By Kevin Freiberg

READING & CASES

Required Text: Michael E. Porter Competitive Strategy: Techniques for Analyzing Industries and Competitors

Michael Porter’s book will provide the foundation for all discussion and case work for the weekend. A discussion and case based course succeeds only if the class is prepared. Please be sure to read the required chapters listed below before you arrive for class. There will be no time to read during the weekend class time.

Chapter 1: The Structural Analysis of Industries
Chapter 2: Generic Competitive Strategies
Chapter 3: A Framework for Competitor Analysis
Chapter 5: Competitive Moves
Chapter 7: Structural Analysis Within Industries
Chapter 11: The Transition to Industry Maturity
Chapter 12: Competitive Strategies in Declining Industries
Chapter 16: Entry into New Business

There will be several additional readings which will be distributed in class. The readings will be related to case work. To be completed and discussed on Saturday and Sunday.

STUDENT EVALUATION

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>PERCENTAGE OF FINAL GRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class contribution</td>
<td>50%</td>
</tr>
<tr>
<td>Individual Case Analysis</td>
<td>50%</td>
</tr>
</tbody>
</table>
DESCRIPTION OF EVALUATION COMPONENTS

Class Contribution
The frequency and quality of input during the discussion and case components of the class will make up 50% of the grade. Coming to class with a thorough understanding of the assigned reading material will be extremely valuable in contributing to class discussions. The most important part of class contribution will be the student’s ability to integrate the concepts from the assigned reading into the logic of the discussion and the review of the cases.

Written Case Analysis
Writing an analysis of a case is an important step in using the tools that will be covered in this class. To that end each student will be required to prepare a competitive analysis based on an industry or business of their choice. The analysis needs to be supported with a reference list showing published material used to support the analysis. It is important to consider the analytical techniques and to use them in your paper. Additional original research will certainly enhance the final product. Grading will be competitive and student output will be considered with a view to the completeness of the thought process developed in class. The report needs to be analytical not descriptive!

The final project is to be completed on an individual basis and is due March 8, 2004. Please send or deliver hard copies only!

Tentative Agenda

Friday, February 20th

6:00 – 6:30 Course introduction & Student Introductions
6:30 – 7:30 Analytical techniques for Companies and Industries.
7:30 – 7:45 Break
7:45 – 9:00 Mini case: Developing an analytical profile (group breakout and discussion)

Saturday, February 20, 2004

8:00 – 9:00 Competitive moves and strategic groups
9:00 – 9:15 Break
9:15 – 10:45 Presentation and discussion of an acquisition opportunity
10:45 – 11:00 Break

11:00 – 11:45 Merger & acquisition opportunities in mature & declining industries.

11:45 – 12:30 Entry into new business

12:30 – 1:30 Lunch

1:30 – 2:00 Group discussion: The airlines and the industry.

2:00 – 3:00 Group break out: Developing an industry and company profile.

3:00 – 3:15 Break

3:15 – 4:00 Group Discussion: New business opportunity in the airline Industry?

4:00 – 5:00 Competitive moves of new entrants and competitive group response.

**Sunday, February 21, 2004**

8:00 – 8:30 Defining the framework for competitive strategy assessment

8:30 – 9:30 Group Breakout – define a subject industry and company for individual case work.

9:30 – 9:45 Break

9:45 – 11:00 Discussion of group industry selection and brief outline of analysis.

11:00 - 11:15 Break

11:15 - 12:00 Course review and wrap-up