

Spring 2-1-2016

## BMGT 665.01: Strategic Management

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## **BMGT 665: Strategic Management**

Spring 2016

Two credits (2 cr.), Traditional Grading option only

Course Pre-requisites: ACTG 605, BFIN 681, BMIS 574,  
BMGT 604, and BMGT 640

Course Co-requisite: MBA 603

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Class Web Page: UOnline (Moodle; <http://umonline.umt.edu>) page for Strategic Management.

### **School of Business Administration Mission Statement and Assurance of Learning**

The University of Montana's School of Business Administration enhances lives and benefits society by providing a world-class business education in a supportive, collegial environment.

We accomplish this mission by acting on our shared core values of creating significant experiences, building relationships, teaching and researching relevant topics, behaving ethically, and inspiring individuals to thrive.

As part of our assessment process and assurance-of-learning standards, the School of Business Administration 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.

Analysis of the firm within its industry and the structure of the industry; competitive positioning and competitor analysis; decision-making under conditions of uncertainty; developing a competitive advantage in international markets

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

To do this we will build from the content of your previous courses. In addition to the team projects developing strategic recommendations for existing businesses, we go in-depth with cases and particularly in the brewing industry. I have arranged for a substantially reduced rate to get access to a web portal developed specifically to help breweries with their strategic plans.

Why use a textbook/web portal targeted toward breweries? Because they provide an accessible, hospitable, and fun setting for exploring strategy that is relevant to Montana residents. Also, learning concepts grounded in a particular industry adds context and understanding. Breweries are booming in Montana, they are a business that both manufacture and provide service. How do they add value? What do their value chains and activity maps look like? How do they track progress? Decide to diversify? In a small package they represent a multi-faceted business model. We will supplement the Crafting A Strategy portal with outside readings, cases, and speakers to bring in other business examples and industries. As an industry, breweries offer us an opportunity to ask industry level questions as well. How do they survive given their small market share? Is the market saturated? How do they position in a field of brands, local, regional, national, and international? How does consolidation impact the industry? Is the industry saturated? Why is venture capital entering the industry?

### **Course Format and Expectations:**

1. BMGT 665 is fast paced. Our class time will be devoted to lecture, discussion, and case analysis. We immediately use content from BMGT 604 – Competitive Strategy.
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](http://life.umt.edu/vpsa/student_conduct.php)
  - Laptop computers may be used for note taking in class, but not for e-mailing, stock trading, gaming, or other non-class activities. If not used appropriately, a student risks losing the privilege to use electronics for the rest of the semester. Students are expected to abide by the SoBA Code of Professional Conduct <http://www.business.umt.edu/Soba/SoBAEthics/CodeofProfessionalConduct.aspx>.
3. Electronic devices must be turned to silent during class time.
4. The University of Montana assures equal access to instruction through collaboration between students with disabilities, instructors, and Disability Services for Students. If you think you may have a disability adversely affecting your academic performance, and you have not already registered with Disability Services, please contact Disability Services in Lommasson Center 154 or 406.243.2243. I will work with you and Disability Services to provide an appropriate modification. Please contact me within the first couple of weeks to arrange for accommodations.

### **Resources**

- [CraftingAStrategy.com](http://CraftingAStrategy.com) For class, students purchase a subscription to this web resource targeted at strategy for breweries. You can access your subscription at [craftingstrategy.com/user/register/umt\\_bmgmt\\_665\\_60\\_jan2016](http://craftingstrategy.com/user/register/umt_bmgmt_665_60_jan2016), for \$97. Use the URL listed since this rate is greatly reduced for us. A link with instructions is in the Moodle site.
- [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/45964849> will take you to my electronic course pack for the three cases used specifically in this course. The total cost should be about \$12
- Encouraged but not required: Wall Street Journal student subscription [WSJ.com/studentoffer](http://WSJ.com/studentoffer) It should be 15 weeks for \$15.

## Grading / Requirements

A	92.0% and above	B-	80.0% to 81.9%	D+	67.0% to 69.9%
A-	90.0% to 91.9%	C+	77.0% to 79.9%	D	60.0% to 66.9%
B+	87.0% to 89.9%	C	72.0% to 76.9%	F	Below 60%
B	82.0% to 86.9%	C-	70.0% to 71.9%		

## Grading Components

Strategic Plan – Team (total 50%)	
Internal Analysis.....	15%
External Analysis.....	15%
Strategic Recommendation.....	20%
Individual Case Analysis.....	10%
Individual Activity Map.....	5%
Individual Balanced Scorecard .....	5%
Team Evaluation.....	10%
Professor for Participation.....	10%
Participation with speakers & during case analysis.....	10%

## 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.

## 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 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's School of Business Administration. Her research has been published in *Journal of Business Research*, *Journal of Industrial Ecology*, and *Long Range Planning*.

## COURSE OUTLINE

*Schedule may change with notice from the instructor  
Readings and other materials are to be completed BEFORE coming to class*

**Week 1:** Introductions, expectations, projects, & teams

**Jan. 26**

Review PESTEL, Generic Strategies, RBV (translate to VRIO), Five-Forces, Blue Ocean Strategy, core competency tree

Form Teams & Identify Three Companies

**DUE AFTER CLASS:** Email professor the list of your companies with preferences marked and team composition

Required materials

1. CAS.com: Resource-Based Strategy  
<http://craftingastrategy.com/resource-based-strategy-0>
2. CAS.com: VRIO Criteria and Calculating VRIO Scores  
<http://craftingastrategy.com/case-study-help>

Supplemental

1. MOODLE: Hambrick and Fredrickson (2005). Are You Sure You Have a Strategy? Academy of Management Executive, Vol 19., Issue 4, p51-62
2. Moodle: Collis and Montgomery (2008). Competing on Resources. Harvard Business Review, Jul-Aug 2008, Vol. 86 Issue 7/8, p140-150
3. Moodle: Kim and Mauborgne (2004). Blue Ocean Strategy. Harvard Business Review, Oct2004, Vol. 82 Issue 10, p76-84
4. Moodle: Collis & Rukstad, 2008. Can You Say What Your Strategy Is? Harvard Business Review, April
5. Moodle: Kumar, Nirmalya. Strategies to Fight Low Cost Rivals. Harvard Business Review, Dec2006, Vol. 84 Issue 12, p104-112
6. Moodle: Porter (2008). The Five Competitive Forces That Shape Strategy. Harvard Business Review, Jan2008, Vol. 86 Issue 1, p78-93
7. CAS.com: Interview with Michael Porter – HBR The Five Competitive Forces That Shape Strategy. Also can be found [https://www.youtube.com/watch?v=mYF2\\_FBCvXw](https://www.youtube.com/watch?v=mYF2_FBCvXw)
8. CAS.com: video Industry Level Disruption PowerPoint presentation on Blue Ocean Strategy  
<http://craftingastrategy.com/core-curriculum/business-model>

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**Week 2:** Research Resources, Consolidation & Fragmentation

**Feb 2:**

**Speaker: Susanne Caro, Business Librarian**

Required materials:

1. HB Case: Pharmaceutical Industry: Challenges in the New Century Stephen P. Bradley; James Weber. 703489-PDF-ENG
3. CAS.com: External Value Chain – Industry Consolidation  
<http://craftingastrategy.com/industry-consolidation>
4. CAS.com: Fragmentation in the Craft Beer Industry (video and white paper)  
<http://craftingastrategy.com/fragmentation-beer-industry>

5. CAS.com: Blog - AB/In-Bev's Apparent Strategy <http://craftingastrategy.com/blog/ab-inbev-apparent-strategy>

Supplemental:

1. Fortune Magazine – A Craft Beer Empire Is Being Built <http://fortune.com/2015/07/17/duvel-moortgat-firestone-walker-craft-beer-empire-deal/>
2. Bloomberg.com Can Craft Beer Survive AB/In-Bev (Video) <http://www.bloomberg.com/news/features/2015-06-25/can-craft-beer-survive-ab-inbev->
3. BusinessWeek.com The Plot To Destroy America's Beer <http://www.bloomberg.com/bw/articles/2012-10-25/the-plot-to-destroy-americas-beer>
4. MOODLE Porter, M. (1980). Industry evolution. In *Competitive strategy* (pp.156-274). New York, NY: The Free Press.
5. MOODLE Porter, M. (1980). Competitive strategies in fragmented industries. In *Competitive strategy* (pp.191-214). New York, NY: The Free Press.

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**Week 3:** Value Creation, Value Chain Economics, Value Chain, Routines, and Capabilities

**Feb 9:**

**Speaker: Mark Bretz – President, Bretz RV & Marine**

Required materials:

1. CAS.com: What is Value? <http://craftingastrategy.com/what-value>
2. CAS.com: What are Transaction Costs? <http://craftingastrategy.com/what-are-transaction-costs>
3. CAS.com: Internal Value Chain <http://craftingastrategy.com/internal-value-chain-put-your-good-where-it-will-do-most>
4. CAS.com: You Can't Put Percent Margins In The Bank <http://craftingastrategy.com/you-cant-put-percent-margins-bank>
5. CAS.com: Pok Pok Case Study (Read And Click Through Value Chain Highlighter) <http://craftingastrategy.com/casestudy/pok-pok>
6. CAS.com: Magic Barrel Case Study (Read And Click Through Value Chain Highlighter) <http://craftingastrategy.com/casestudy/magic-barrel>
7. CAS.com: Competitive Advantage Through Consistent Routines (Paper and Video) <http://craftingastrategy.com/competitive-advantage-through-consistent-routines>
8. CAS.com: Blog – Great Leaders Empower Others <http://craftingastrategy.com/blog/great-leaders-empower-others>
9. CAS.com: Activity – Magic Barrel Case Study (Value Chain Highlighter – The Magic Barrel Way) Is this an Engineering, Entrepreneurial or Administrative Problem? What Strategic Type is Magic Barrel? <http://craftingastrategy.com/casestudy/magic-barrel>

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**Week 4:** External Analysis Presentations, Business Model Canvas, and Multiple Business Models

**Feb 16:**

**DUE IN CLASS: External Analysis Presentations**

Required materials:

1. CAS.com: Death of the Business Plan <http://craftingastrategy.com/death-business-plan>
2. CAS.com: Innovative Revenue Models <http://craftingastrategy.com/more-mug-club>

3. CAS.com: Osterwalder Video – Burn Your Business Plan <http://craftingastrategy.com/core-curriculum/business-model> and then click on video.

Supplemental:

1. MOODLE: Osterwalder, A. & Pigneur, Y. Business Model Generation Preview. [http://www.businessmodelgeneration.com/downloads/businessmodelgeneration\\_preview.pdf](http://www.businessmodelgeneration.com/downloads/businessmodelgeneration_preview.pdf)

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**Week 5:** Business Model Continued & Activity Mapping

**Feb 23:**

Speaker:

If time permits we will watch Opportunity and threat of disruptive technologies video

Required materials:

1. HB Case: redBus: The Next Step for Growth Sandeep Goyal; Amit Kapoor; M. P. Jaiswal. W13193-PDF-ENG
2. Moodle: Workshop 11: Implementing Your Strategy. Braun & Lathan, Mastering Strategy
3. CAS.com: Incumbent Firms, Ignorance, and Disruption – Blog, Give Me Profitability and Give Me Death <http://craftingastrategy.com/blog/give-me-profitability-and-give-me-death>
4. CAS.com: Homework: Podcast – Multi-Business Model Approach <https://s3.amazonaws.com/podcasts.craftingastrategy.com/2014/Multi-Business+Model+with+Dr.+Sam+Holloway.mp3>

Supplemental:

1. MOODLE: Johnson, Christensen, and Kagermann (2008). Reinventing Your Business Model. Harvard Business Review, Dec2008, Vol. 86 Issue 12, p50-59

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**Week 6:** Pharmaceutical Cases – Application of Frameworks and Concepts

**Mar 1: BOZEMAN**

**Speaker: Daryl Paulson, CEO of BioScience Laboratories**

**DUE IN MOODLE PRIOR TO CLASS:** RedBus – Activity map assignment due – complete individually

**DUE IN MOODLE PRIOR TO CLASS:** Answers to Questions in the case Growth Strategies in the Pharmaceutical Industry

1. How will the business model of Pfizer change depending on the growth model it adopts?
    - 1.a. What skills will Pfizer have to adopt or develop depending on the growth model?
    - 1.b. How will the supply chain change depending on the growth model?
  2. What are the risks of acquiring growth versus organic growth for pharma companies?
  3. Why did Pfizer spin off its successful Animal Health business?
- complete individually

Required materials:

1. **HB CASE** Pharmaceutical Industry: Challenges in the New Century Stephen P. Bradley; James Weber703489-PDF-ENG (review since we already discussed)
  2. **HB CASE:** Growth Strategies in the Pharmaceutical Industry (A) Shantanu Bhattacharya; Sjiva De Meester; Sameer Hasija. IN1091-PDF-ENG
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**Week 7:** Internal Analysis Presentations and Discussion

**Mar 8:**

**DUE IN CLASS: Internal Analysis Presentations**

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**Week 8:** Corporate level strategy, Collaboration, and International Strategies

**Mar 15:**

**Speaker: Courtney McKee, Co-Founder Headframe Spirits**

Required materials:

1. MOODLE: Gadiesh, Orit; Gilbert, James L. How to Map Your Industry's Profit Pool. Harvard Business Review, May/Jun98, Vol. 76 Issue 3, p149-162
2. MOODLE: Marks, M.L.; Mirvis, P.H.; Brakjovich, L.F.; Making Mergers and Acquisitions Work. Academy of Management Executive, May 2001, Vol. 15 Issue 2, p80-92
3. CAS.com: Mergers, Acquisitions, Alliances and Partnerships  
<http://craftingastrategy.com/blog/mergers-aquisitions-partnerships-and-alliances>
4. MOODLE: Porter, Michael E.. The Competitive Advantage of Nations. Harvard Business Review, Mar/Apr90, Vol. 68 Issue 2, p73-93
5. MOODLE: Ghemawat, Pankaj. Managing Differences. Harvard Business Review, Mar2007, Vol. 85 Issue 3, p58-68
6. MOODLE Aron, Ravi; Singh, Jitendra V. Getting Offshoring Right. Harvard Business Review, Dec2005, Vol. 83 Issue 12, p135-143

Supplemental:

1. CAS.com: Controlling Opportunism in Key Partners (Narrated PowerPoint)  
<http://craftingastrategy.com/core-curriculum/controlled-operations> click on video
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**Week 9:** Balanced Scorecard, Strategy Implementation, & Project Assistance

**Mar 22:**

Speaker:

Required materials:

1. MOODLE: Kaplan, Robert S.; Norton, David P. Using the Balanced Scorecard as a Strategic Management System. Harvard Business Review, Jul/Aug2007, Vol. 85 Issue 7/8, p150-161
2. CAS.com: The Secret to Workplace Motivation  
<http://craftingastrategy.com/secret-workplace-motivation>  
(We will watch the Dan Pink TED Talk this refers to in class  
[http://www.ted.com/talks/dan\\_pink\\_on\\_motivation?language=en](http://www.ted.com/talks/dan_pink_on_motivation?language=en) )
3. CAS.com: Crafting a Leadership Strategy  
<http://craftingastrategy.com/crafting-leadership-style>
4. VIA Survey of Character Strengths – record your strengths and bring them to class  
You will need to register <https://www.authentichappiness.sas.upenn.edu/user/register> and then select the VIA Survey
5. CAS.com: Telling the Truth in Modern Organizational Culture  
<http://craftingastrategy.com/telling-truth-modern-organizational-culture>
6. CAS.com: Leadership: When to Grow and When to Let GO  
<http://craftingastrategy.com/leadership-when-grow-and-when-let-go>

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**Week 10:** Final Presentations for Strategic Plan Project

**Mar 29:**

**DUE IN MOODLE PRIOR TO CLASS:** redBus balanced scorecard assignment – complete individually

**DUE IN CLASS: Strategic Recommendation Presentations**