

# MAN6637:7214/7215

## Global Strategic Management

### (O1MBAS17, O2MBAS17)

Spring 2017

Instructor:

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#### **John Kraft**

100 Bryan Hall  
[john.kraft@warrington.ufl.edu](mailto:john.kraft@warrington.ufl.edu)  
352-392-2398

#### **Renee Mathis**

Assistant  
[renee.mathis@warrington.ufl.edu](mailto:renee.mathis@warrington.ufl.edu)  
352-273-3217

**Important Note:** YOU SHOULD CONTACT ME AT MY EMAIL ADDRESS NOT THROUGH CANVAS.

Required Text:

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Besanko, Dranove, Shanley, Schaefer, *Economics of Strategy*, 6<sup>th</sup> edition, Wiley, 2013 (BDSS) (ISBN: 978-1-11827363-0)

To understand strategy on an everyday basis, you should consider the Wall Street Journal. The WSJ bundle (print, mobile, and online) is \$15 for 15 weeks at [www.wsj.com/studentoffer](http://www.wsj.com/studentoffer)

Purpose of Course:

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This course deals with the strategy of organizations. The objective of the course is to provide students with a fundamental knowledge of the theory and application of strategic management.

By the end of this course, students will:

- 1) Learn about the theory and practice of strategic management;
- 2) Apply the concepts and techniques to management problems; and
- 3) Work as a management team on strategic problems.

Instructional Methods:

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Assignments will consist of the following: Team Case, Team Strategic Management Project Modules, Individual Test, Team Simulation exercise, Individual Assurance of Learning exam, and Individual TeamMATE.

Course Policies:

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**Make-up Policy:** Make-up work is only permitted if you have a valid medical excuse.

**Assignment Policy:** All assignments are due on the assigned date, and submitted to Canvas. NOTE: Watch for assignments throughout the course.

# Grading Scale:

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## **Individual Assignments:**

- TeamMATE- Lesson 7 = **2 points**
- Test = **8 points**
- TeamMATE- Lesson 9 = **2 points**
- Comp-XM exam (Assurance of Learning) = **4 points (grades based on adjusted raw range from A to B-)**

## **Team Assignments:**

- Case: Starbucks = **8 points**
- Strategic Management Projects 1-5 = **8 points**

## **Team Simulation by Capsim:**

- Strategy Overview paper = **required**
- Simulation Performance by Capsim = **4 points (awarded at the end of round 7) (grades are based on equal weighed balanced score card range from A to B-)**
- Simulation Round Scoring = **4 points (1 point for round 2, 3, 4, and 5 grades range A to B- based on star scoring by round with B- equal to zero or one star and A equal to 5 stars.**

**The total points possible (40) or individual assignment points are converted to percentages as shown below**

The assignment grades in the course are based on a GPA scale (not a % scale).

A = 4.0  
A- = 3.6  
B+ = 3.3  
B = 3.0  
B- = 2.6  
C+ = 2.3  
C = 2.0  
C- = 1.6  
D+ = 1.3  
D = 1.0  
D- = 0.7  
F = 0.0

<b>Letter Grade</b>	<b>Percentage Range</b>		<b>Total Points</b>
A	100%	to 95%	40-38
A-	95%	to 86.25%	38-34.5
B+	86.25%	to 78.75%	34.5-31.5
B	78.75%	to 70%	31.5-28
B-	70%	to 61.25%	28-24.5
C+	61.25%	to 53.75%	24.5-21.5
C	53.75%	to 45%	21.5-18
C-	45%	to 36.25%	18-14.5
D+	36.25%	to 28.75%	14.5-11.5
D	28.75%	to 20%	11.5-8
D-	20%	to 11.25%	8-4.5
F	11.25%	to 0%	4.5-0

# Assignment Descriptions:

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*Formatting of Assignments: 1 inch margins all around; Times New Roman or Arial Font; 11 or 12 font size; 1.5 spacing.*

## A. INDIVIDUAL ASSIGNMENTS

### Test (individual) (8 points two questions – 4pts each)

(Submit online in Canvas)

The test must be taken as scheduled. Only medical emergency excuses will be considered for an alternate date. The test will cover assigned chapters and lectures. There is a four page limit. It is open book and open notes. Once you access the test you must complete and submit your work within 2 hours.

Covers Chapters 9, 11, 2, - lectures 6, 7, 8, 9; and Chapters 5, 6, 7, - lectures 10, 11, 12, 13, 14, 15.

### TeamMATE by Capsim

**\*You must complete the individual and peer scoring. If you do not complete by due date you receive a half a point, if you only complete one part you receive 1.0 point.**

### TeamMate by Capsim (Lesson 7) (individual) (2 points)\*

- Complete by closing date.
- Must complete peer and team parts to receive 2 points.

### TeamMATE by Capsim (lesson 9) (individual) (2 points)\*

- Complete by closing date
- Must complete peer and team parts to receive 2 points.

### Comp-XM Exam (Assurance of Learning) by Capsim (individual) (4 points)

Each student must complete the Capsim Assurance of Learning module. TeamMate must be completed after round 7 of the simulation prior to starting Comp-XM.

Students should review Capstone Simulation Readings and Materials before attempting simulation (see section on this listed after schedule)

## B. TEAM ASSIGNMENTS

### Team Strategic Management Project Modules 1-5 (team) (8 points)

(submit online in Canvas)

Each team will select a different airline and conduct a strategic management module on a **global airline** (cargo or passenger). For our purposes, we will use well-established **global** companies with considerable public information. The project will require you to answer selected questions and is limited to FIVE pages total for modules 1-5. (cover page, chart, reference, etc.

To give you practical insight into the strategic management process, we utilize a series of strategic modules. Each module asks you to collect and analyze information relating to the material discussed in that chapter. By completing these strategic modules, you will gain a clearer idea of the overall strategic management process.

The first step in this project is to pick a **global airline** to study. You should focus on the same company for each module. I will be asking you for information about the corporate and international strategy of your company, as well as its structure. I strongly recommend that you pick a company for which such information is likely to be available in order to obtain enough information about it to carry out the following instructions and answer the questions for each module.

#### *Strategic Management Project Module 1*

This module requires you to analyze the industry environment in which your company is based using the information you have already gathered:

1. Apply the five forces model to the industry in which your company is based. What does this model tell you about the nature of competition in the industry?

2. Are any changes taking place in the macroenvironment that might have an impact, positive or negative, on the industry in which your company is based? If so, what are these changes, and how might they affect the industry? (Forces outside the industry)

### *Strategic Management Project Module 2*

This module deals with the competitive position of your company. With the information you have at your disposal, perform the tasks and answer the questions listed:

1. Identify whether your company has a competitive advantage or disadvantage in its primary industry. (Its primary industry is the one in which it has the most sales)
2. What are the barriers to imitating the distinctive competencies of your company?

### *Strategic Management Project Module 3*

This part of the project considers conditions in the industry environment that affect the success of your company's business model and strategy.

1. What strategies has your company used to manage entry and manage rivalry in the industry?
2. What business strategy is your company using?

### *Strategic Management Project Module 4*

This module requires you to identify how your company might profit from global expansion, the strategy that your company should pursue globally, and the entry mode that it might favor. With the information you have at our disposal, answer the question regarding the following situation:

1. What strategy is your company pursuing to compete globally? In your opinion, is this the correct strategy, given costs pressures and pressures for local responsiveness?

### *Strategic Management Project Module 5*

This module requires you to assess the vertical integration and diversification strategy being pursued by your company. With the information you have at your disposal, answer the questions listed:

1. Has your company ever pursued a horizontal integration strategy? What was the strategic reason for pursuing this strategy?
2. Assess the potential for your company to create value through vertical integration. In reaching your assessment, also consider the bureaucratic costs of managing vertical integration.

## *Case: Starbucks (team) (8 points)*

(Submit online in Canvas)

This is a team assignment. The Starbucks case is provided in Canvas and HJS p. C259. Answer the following three questions. There is a FOUR page limit (including everything) and you should include the questions and answer. Bullet points are acceptable answers.

### *Case Questions (Starbucks)*

- 1) Analyze the specialty coffee café industry using Porter's Five Forces and Macroenvironmental Analysis. What are the key success factors in this industry?
- 2) What are Starbucks' strengths and weaknesses? Does it have any sources of sustainable competitive advantage?
- 3) How is Starbucks' product positioned in the market? How do its functional-level strategies align (or fail to align) with this positioning?

## C. TEAM SIMULATION BY CAPSIM

### Simulation Performance (4 points)

Teams will participate in Capstone Simulation by Capsim. Teams will make decisions for two practice rounds and seven competitive rounds. Teams must also complete the team strategy overview following completion of the practice rounds and prior to starting the competitive rounds.

Students should review Capstone Simulation Readings and Materials before attempting simulation (see section on this listed after schedule)

### Capsim-Global DNA Note about R&D Department

Every team starts the simulation with a product already automatically created. **You should NOT retire that product during the first round.** You may update the product and create new product(s); however, if you wish to retire the initial, auto created product, please wait to do so until the second round, after you have other products on the market.

This rule will hold true for the beginning of the competition rounds as well, when the game resets and teams start over.

If you do retire the initial product in Round 1, the simulation will record that your company has no R&D expertise, meaning your product development will take much longer and your product release dates will be extremely delayed.

### Team Strategy Overview – required

(Submit online in Canvas)

Format:

- Limited to one page maximum
- Bullet points

Address these areas:

1. Strategic positioning – (see Capstone Strategies)
  - Pick one of six strategies
2. Based on your strategic positioning, what are your goals and priorities for the functional areas? Marketing, finance, production, etc. (see Success Measures)

## UF Policies:

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**University Policy on Accommodating Students with Disabilities:** Students requesting accommodation for disabilities must first register with the Dean of Students Office (<http://www.dso.ufl.edu/drc/>). The Dean of Students Office will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation. You must submit this documentation prior to submitting assignments or taking the quizzes or exams. Accommodations are not retroactive, therefore, students should contact the office as soon as possible in the term for which they are seeking accommodations.

**University Policy on Academic Misconduct:** Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Student Honor Code at <http://www.dso.ufl.edu/students.php>.

## Getting Help:

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For issues with technical difficulties for e-Learning in Canvas, please contact the UF Help Desk at:

- [learning-support@ufl.edu](mailto:learning-support@ufl.edu); (352) 392-HELP - select option 2; or <https://lss.at.ufl.edu/help.shtml>

Any requests for make-ups due to technical issues MUST be accompanied by the ticket number received from LSS when the problem was reported to them. The ticket number will document the time and date of the problem. You MUST e-mail me within 24 hours of the technical difficulty if you wish to request a make-up.

Other resources are available at <http://www.distance.ufl.edu/getting-help> for:

- Counseling and Wellness resources
- Disability resources
- Resources for handling student concerns and complaints
- Library Help Desk support

Should you have any complaints with your experience in this course please visit <http://www.distance.ufl.edu/student-complaints> to submit a complaint.

## Course Schedule – Spring 2017

Lessons	Readings	Lectures	Assignments	Simulations
<b>Lesson 1: Getting Started</b> <i>Sunday January 8</i>	Economics Primer and Introduction (BDSS)  Capstone Team Member Guide  Capstone Strategies	00_Microeconomics 01_Strategic Management	In-class assignment (Teams select <b>Global Airline</b> )	
<b>Lesson 2: Strategic Leadership</b>		02_Strategic Leadership	N/A	N/A
<b>Lesson 3: Corporate Governance (Agency and Coordination)</b>	Chapter 12 (BDSS) pg. 401-409	03_Agency and Coordination	N/A	N/A
<b>Lesson 4: Industry Analysis</b> <i>Sunday, January 15</i> <b>This lesson relates to Global Airlines Project SMP Module 1</b>	Chapter 8 (BDSS) and appendix	04_Industry Analysis_External  05_Industry Analysis_External	N/A	As a team, competition Simulation Practice Round 1 (Capsim) Due: 1/19 at 11:00pm
<b>Lesson 5: Competitive Advantage</b> <i>Sunday, January 22</i> <b>This lesson relates to Global Airline Project SMP Module 2</b>	Chapter 9 (BDSS) pg. 293-308  Chapter 11 (BDSS) pg. 367-388  Apollo Case File	06_Competitive Advantage_Internal  07_Competitive Advantage_Internal  Film: Wal-Mart  Case: Apollo Group	Case: Starbucks (team) (8 points) Due: 1/25 at 11:00pm Submit on Canvas (FOUR page max)	As a team, competition Simulation Practice Round 2 (Capsim) Due: 1/26 at 11:00pm  Capsim – Read: Situation Analysis, Strategies (Capstone Strategies), Managers Guide, and Capstone Debrief Report Rubric
<b>Lesson 6: Functional Strategies</b> <i>Sunday, January 29</i>	Chapter 2 (BDSS) pg. 61-83	08_Functional Strategies  09_Functional Strategies  Film: Ryan Air	Team Strategy Overview Due: 2/8 at 11:00pm Submit on Canvas (ONE page max)	As a team, competition Simulation 1 (Capsim) Due: 2/9 at 11:00pm  As a team, competition Simulation 2 (Capsim) Due: 2/16 at 11:00pm
<b>Lesson 7: Business Level Strategies</b>	Chapter 9 (BDSS) pg. 308-327 (appendix)  Chapter 5 (BDSS)	10_Business Level Strategies 11_Business Level Strategies		As an individual, complete TeamMATE (Capsim) (2 points) Opens: 2/17 at 1:00am

<p><b>Sunday, February 19</b></p> <p><b>This lesson relates to your Global Airline SMP Module 3</b></p>	<p>Chapter 7 (BDSS) pg. 226-232, 235-239, 244-252</p> <p>Chapter 6 (BDSS) pg. 196-217</p> <p>Whole Foods Case File</p>	<p>12_Competers and Competition</p> <p>13_Strategic Commitment</p> <p>14_Dynamics of Pricing Rivalry</p> <p>15_Entry and Exit Film (McDonalds)</p>		<p>Closes: 2/22 at 11:00pm</p> <p>As a team, competition Simulation 3 (Capsim) Due: 2/23 at 11:00pm</p>
<p><b>Lesson 8: Global Strategy</b></p> <p><b>Sunday, March 5</b></p> <p><b>This lesson relates to your Global Airline SMP Module 4</b></p>	<p>Chapter 11 (BDSS) pg. 391-394</p>	<p>16_Globalization Film: India</p>	<p>TEST (individual) (8 points)</p> <p>Opens 3/11 at 1:00 AM</p> <p>Closes 3/15 at 11:00 PM</p> <p>Covers- Chapters: 9, 11, 2, 5, 7, 6</p> <p>Lessons: 6, 7, 8, 9, 10, 11, 12, 13, 14, 15</p> <p>Submit on Canvas</p>	<p>As a team, competition Simulation 4 (Capsim) Due: 3/2 at 11:00pm</p> <p>As a team, competition Simulation 5 (Capsim) Due: 3/9 at 11:00pm</p>
<p><b>Lesson 9: Corporate Strategy</b></p> <p><b>Sunday, March 19</b></p> <p><b>This lesson relates to your Global Airline SMP Module 5</b></p>	<p>Chapter 3 (BDSS)</p> <p>Chapter 4 (BDSS) pg. 138-153</p> <p>Chapter 2 (BDSS) pg. 83-92</p>	<p>17_Corporate Strategies</p> <p>18_Corporate Strategies</p> <p>19_Organizing Vertical Boundaries</p> <p>20_Diversification</p> <p>21_Diversification</p>	<p>As a team, complete Global Airlines Strategic Management Modules SMP 1-5 (8 points)</p> <p>Due: 4/5 at 11:00pm</p> <p>Submit on Canvas (FIVE page max)</p>	<p>As a team, competition Simulation 6 (Capsim) Due: 3/16 at 11:00pm</p> <p>As a team, competition Simulation 7 (Capsim) Due: 3/23 at 11:00pm</p> <p>As an individual, complete TeamMATE (Capsim) (2 points)</p> <p>Opens: 3/24 at 1:00am</p> <p>Closes: 3/29 at 11:00pm</p>
<p><b>Lesson 10: Strategy and Structure</b></p> <p><b>Sunday, April 2</b></p>	<p>Chapter 13 (BDSS) pg. 447-465</p>	<p>22_Strategy and Structure</p>	<p>As an individual, complete the Assurance of Learning exam Comp-XM (4 points)</p> <p>Opens 4/7 at 1:00am</p> <p>Closes 4/12 at 11:00pm</p> <p>Takes approx. 4 hours to complete – open book and open notes</p>	<p>N/A</p>

## Capstone Simulation Readings and Materials (located in Canvas or in Capstone)

1. Capsim introduction Power Point – An introduction to the simulation, offers general learning objectives, and sets the stage for types of decisions and industry conditions each company will manage.
2. Capstone Strategies –Strategy selection determines how companies will be successful and outlines six basic strategies for Capstone. Used to complete the Team Strategy Overview assignment. .
3. Team Member Guide – Read prior to practice round. Also available in your Capsim Dashboard in Capstone.
4. Situation Analysis – Should be completed prior to starting graded rounds. Should be used with Industry Conditions Report to determine industry patterns. Also available in your Capsim Dashboard in Capstone.

5. Capstone Debrief Rubric Report Key – Should be reviewed prior to round one of graded simulation. This key will help you understand the zones of satisfaction for various evaluation criteria and other performance measures.
6. Balanced Scorecard/Analyst Report – Should be reviewed after each round. Will be used to determine first team performance in the graded simulation. Also available in Capsim Reports in Capstone.
7. Courier – This is an example summary of a round performance for companies in your universe. Should be reviewed after every round.
8. Annual Reports and Financial Projections – are in the simulation and should be used after each round. Helps provide richer understanding of firm decisions.
9. Becoming a High Performing Team – This sets the stage for TeamMATE which is to be completed after rounds 2 and 8 graded simulations.
10. After every round, review the following reports: Capstone Courier, Analyst Report, Round Analysis Report, Relative Scores to Date (Balanced Scorecard), Debrief Rubrics.

The following cases will be discussed in the lectures but you don't have to answer these questions. This is FYI only to help you have a better understanding of case analysis.

## Teaching Case Questions

### *Apollo*

- 1) What is University of Phoenix's business model?
- 2) Using Porter's five focus model, what does the competitive structure of the industry look like? What are the implications of the structure for the long-run profitability of Apollo in the market? How would you define the industry?
- 3) What macroenvironmental focus will impact Apollo's competitive advantage?
- 4) What competitors will be in University of Phoenix's strategic group?
- 5) Does the University of Phoenix have a competitive advantage?
- 6) Where might the University of Phoenix be investing in the value chain to create distinct competencies?
- 7) What characteristics of strategic leadership are evident in John Sperling?

### *Whole Foods*

- 1) What is Whole Foods' business model?
- 2) How does Whole Foods create value? (distinct competencies)
- 3) Who might be Whole Foods' competitors and what might be the competitors' strengths and weaknesses?
- 4) What resources might be the source of the durability of Whole Foods' competitive advantage?
- 5) What might be Whole Foods capabilities?

### *Viacom*

- 1) What sources of competitive advantage does Viacom have or not have that will impact their strategy?
- 2) What generic strategies should Viacom use to go global?
- 3) What corporate level strategies have made Viacom successful? What strategies should it use in the future?

## Competitive Rounds Scoring:

In the seven competitive rounds scoring occurs in two ways: (1) scoring in rounds 2, 3, 4, and five; and (2) overall scoring after round seven.

Each Team can earn a maximum of 5 stars. Stars represent an overall performance evaluation, much like the stars in the Morningstar ratings. One star is issued for each of the following:

- Contribution margin over 30%
- Zero emergency loan
- For total units across entire product line: satisfy at least 95% of demand for their products and can not carry more than 90 days of inventory.



- Increase in stock price over last year
- Profit greater than zero

The grading will be as follows:

A for 5 stars

A- for 4 stars

B+ for 3 stars

B for 2 stars

B- for 0 or 1 star

The grade conversion per round is:

A = 1.0

A- = .9

B+ = .825

B = .75

B- = .65

The overall scoring at the end of round 7 will be based on the equal weighted balanced scorecard. This has a range of 0 to 100. This scoring is worth 4.0 points. The grades will be assigned as follows:

A = 80 to 100

A- = 60 to 80

B+ = 40 to 60

B = 20 to 40

B- = 0 to 20

## CompXm Scoring:

Individual score based on adjusted raw score. This scoring is worth 4.0 points. The grades will be assigned as follows:

A = 80 to 100

A- = 60 to 80

B+ = 40 to 60

B = 20 to 40

B- = 0 to 20

## Assurance of Learning

The Warrington College of Business Administration (WCBA) is accredited by the Association to Advance Collegiate Schools of Business (AACSB) International, which represents the highest standard of achievement for business schools, worldwide. Each program at the WCBA has developed goals and objectives that express the most valued skills and knowledge that students should be able to demonstrate upon completion of the total learning experiences in that program.

School goals and objectives can be related to programs or degrees. Examples of goals are in the areas of:

- Analytical/Quantitative
- Business Communication
- Critical-thinking/Decision-making
- Functional Knowledge Integration
- Ethical/Legal/Social Responsibility
- Global/Multicultural Awareness
- Teamwork/Leadership

There are a number of methods to assess this:

- Peer Evaluations

- Self-report Surveys
- Assessment Centers
- Standalone Standardized Tests
- Group Term Projects
- Case Analyses
- Term Papers
- Oral Presentations
- Multiple-choice Exams
- 360 Surveys
- Essay Exams
- Business Simulations
- Homework Assignments

The core of learning outcomes are:

- Affective: attitude-based (e.g., self-efficacy, content-specific attitudes, etc.)
- Behavioral: skill-based (e.g., proficient demonstration, successful application, etc.)

Cognitive: knowledge-based (e.g., recall of facts, principles, rules, models, etc.)			
Potential Methods Across Outcomes			
Learning Outcome Category	Learning Concept	Measurement focus	Potential Assessment Methods
Cognitive outcomes	Verbal (declarative) knowledge	Quality of knowledge, recall accuracy, speed of recall	Exams testing recognition (e.g., multiple-choice) or recall (e.g., essay, fill-in-the-blank)
	Knowledge organization	Idea similarity, knowledge interrelatedness, hierarchical ordering	Concept mapping or card sorting
	Cognitive strategies	Forming concepts and procedures, problem solving	Case scenarios, problem sets
Skill outcomes	Skill acquisition	Proceduralization compilation	Assessment centers, work samples, role plays, behavioral checklists, presentations
	Automaticity	Automatic processing	Behavioral observation, performance ratings
Affective outcomes	Attitude	Targeted object (e.g., ethics), attitude strength, self-efficacy	Self-report, task specific self-efficacy
	Motivation	Effort, tenacity, goal difficulty, motivation to learn	Self-report, observation, time-on-task, goal-difficulty, ratings

*Rubin & Martell (2009)*

Why simulation-based assessment?

- Requires knowledge & skilled application of this knowledge
- Promotes new learning opportunities (learning by doing)
- Provides higher fidelity or “realness” for the assessment
- Tests capacity to integrate across distinct domains/fields
- Engages participants in the assessment process

In this course we will be using multiple methods

- Cases
- Tests
- Projects
- Simulations

Disclaimer: This syllabus represents my current plans and objectives. As we go through the semester, those plans may need to change to enhance the class learning opportunity. Such changes, communicated clearly, are not unusual and should be expected.