COURSE PURPOSE

This course provides an introduction to strategic management. Strategy addresses a fundamental question: why are some companies more successful than others? The primary objective of the course is to allow you to analyze the sources of a company’s success, i.e., its competitive advantage, if any. This skill is not only critical for positions in general management but also for those who aspire to careers in banking, consulting, and entrepreneurship. The course will provide the analytic tools to analyze competitors, predict competitor behavior, and understand how firms can develop and sustain competitive advantages over time.

To gain a better understanding of strategic issues and begin to master the analytic tools that strategists use, we will study firms in many different industries and countries, ranging from a U.S. technology firm to a Spanish fashion retailer and a Brazilian aircraft manufacturer. An ancillary benefit of the course is that your familiarity with different industries and business models will likely increase considerably.

The course material is grouped into three modules. The first, titled “Competitive Advantage,” studies what companies can do to outperform their rivals in a given industry. The second module, “Competitive Dynamics,” analyzes the competitive moves of rival firms. This module relies heavily on game-theoretic concepts. In the final module, “Corporate Scope & Globalization,” we will ask when it makes sense for companies to diversify into different industries and across national borders, as well as consider important issues in strategy implementation.

COURSE ADMINISTRATION

Please note that the course’s Canvas site forms a key part of the roadmap for this course. Much detail on readings, assignments, and individual class topics is found there, rather than in this document, which is intended as an overview.

In particular, the required reading for each class will be listed in the corresponding calendar entry for the course on Canvas. Most cases have an associated poll question on an important strategic issue related to the case. These polls are also listed on Canvas and are a mandatory part of class participation.

Grading will be based on class participation, a midterm group project, and a final examination. These three components of your grade are weighted as follows:

- Class Participation: 30%
- Midterm Group Project: 25%
- Final Exam: 45%

**Class participation:** An important course requirement is active involvement in class discussion. Your participation is essential—for both your own learning and that of other students. Because this is a case-based course, much of the
learning will take place in our collective discussion of the business cases. I expect that every student will arrive well prepared.

It is essential that you participate often enough that I can assess the quality of your thinking. Once you pass a certain quantity threshold, your participation grade hinges solely on quality. If you are a regular participant, and I hope that all of you will be, you don’t have to worry about whether someone else is speaking more than you are.

The best class comments:

- Make or raise issues that are relevant to the current focus of the class
- Show curiosity and a willingness to experiment
- Use data or examples to support conclusions
- Take into consideration the ideas offered by others
- Offer support for arguments
- Help others feel safe about participating

**Midterm Group Project:** The midterm project will be a group write-up of the Samsung Electronics case, which is to be uploaded to Canvas by the beginning of the class in which we discuss that case. The write-up is a response to questions posted in Canvas. You will also be asked to prepare a short Power Point presentation related to the case. Details are on Canvas and will be discussed in class.

**Final Exam:** The final exam is comprehensive and will be based on a case made available when you take the exam. The exam is open book; you are welcome to refer to the course pack and your notes during the exam. You will use a computer to take the exam.

**CLASS PREPARATION**

This is a fairly intensive course. The course is analytical and your preparation should reflect that fact. In preparing for strategy classes, I strongly recommend that you first read the note for the module and any note for the case itself, then read the poll questions, and finish by reading and analyzing the case itself. The module topic will help you focus on the aspects of the case that we will be discussing in class. Many students find it helpful to discuss the cases in groups before class, although this is a matter of personal preference. I cannot emphasize enough that—far more than in some of the other courses you have taken—much learning for this course takes place in our group discussions.

**CLASS CITIZENSHIP**

If you cannot attend class due to unavoidable circumstances, I expect you to send me an email prior to class, notifying me of your absence. Please note that any unexcused absences will significantly impact your overall grade for the course. I encourage students who had to miss a session to ask their classmates for notes.

I will start out by allowing the use of electronic devices (e.g., a laptop or tablet) in class to take notes and peruse course material. It is expected that you will not use electronic devices for email, social media, investing, or any other activity not related to the class discussion. Let’s all work together to make sure that we, as a group, comply with these guidelines. It is very disruptive to class when people use electronic devices for other purposes.

Likewise, arriving late and going in and out of class are also very disruptive. Let’s try to restrict this to genuinely urgent situations.
CASES AND TOPICS (in order)

**Competitive Advantage**

*Introduction: What is Strategy?*
Strategy Formulation and Competitive Advantage
Ben & Jerry’s Homemade Ice Cream, Inc.: A Period of Transition

*Industry Analysis*
Cola Wars Continue: Coke and Pepsi In 2010

*Analyzing Competitive Advantage I*
Wal-Mart: In Search of Renewed Growth

*Analyzing Competitive Advantage II*
Zara: Fast Fashion

*Network Effects*
Apple Inc. In 2012

*Non-Market Forces*
Life, Death, and Property Rights: The Pharmaceutical Industry Faces AIDS in Africa

*Midterm Group Project*
Samsung Electronics

**Competitive Dynamics**

*Pricing Dynamics*
Competitive Dynamics and Business Strategy
Maersk Shipping: Is the Price Right?

*Managing Market Power*
De Beers at the Millennium

**Corporate Scope & Globalization**

*Analyzing Corporate Strategy I*
Diversification and Corporate Scope
Walt Disney Co.: The Entertainment King

*Analyzing Corporate Strategy II*
Delta Air Lines (A): The Low-Cost Carrier Threat

*Location Analysis*
Distance Still Matters
Embraer: The Global Leader in Regional Jets
Why Go Abroad?
Lincoln Electric

Institutional Environment
Busang: River Of Gold (A)