

MGT 490 (WI)
STRATEGIC MANAGEMENT
FALL SEMESTER 2003

INSTRUCTOR: Prof. Jerry Calton (EKH 244)
OFFICE PHONE: 974-7593; School of Business Phone: 974-7400
OFFICE HOURS: MWF 9-9:50 AM; T 9:30-10:45 AM and 2-3:15 PM or by appointment
CLASS SCHEDULE: M-W 3-4:15 PM (K-127)

TEXTS:

- Thompson & Strickland, *Strategic Management: Concepts & Cases* (13th edition)
- Smith & Golden, *Airline: A Strategic Management Simulation*, (4th edition)

COURSE DESCRIPTION:

MGT 490 is a capstone course in strategic management required of business majors by all accredited business schools. All senior-level business students must be offered an integrative learning experience in business analysis and decision-making. This course builds upon functional content knowledge in such areas as accounting, finance, marketing, production, and management. It is responsive to a widespread consensus among business professors and practitioners that prospective business professionals need to confront realistic organizational problems that force them to pull together (integrate) what they have learned so that they will be prepared to make effective decisions in a variety of business situations. Written cases and supplementary handouts, videos, and a computer simulation will be used to expose students to the complex, often ambiguous and stressful (but hopefully never dull), world of the business decision-maker. The focus of this class will be upon strategies for smaller, entrepreneurial, service-oriented companies.

In MGT 490, students will be offered some useful learning tools that can be applied within the strategic management process. These learning tools should help students organize, evaluate, and apply the various types and sources information with which the business decision-maker (or general manager) must work. Even after further research, decisions often must be made with inadequate (or conflicting) information. Many times the general manager must satisfy stakeholders who hold conflicting values (ways of perceiving reality) or who are impacted in different ways by organizational actions. In some cases there is no "one best way" that can resolve important business problems. In such cases, an "informed guess," followed by quick feedback and appropriate modification of a course of action is the only realistic decision-making path to follow. **Thus, effective strategic management often boils down to active individual and group involvement in a continuous process of organizational learning, unlearning, and relearning to leverage the capabilities needed to realize a strategic vision.**

INSTRUCTIONAL STRATEGY:

Business students are expected to have a substantial knowledge base prior to enrolling in MGT 490. Many students also have considerable work experience. Therefore, the instructor will act primarily as a facilitator of student-centered learning. Formal lectures and textbook memorization will be de-emphasized. **This is not a review course.** To more closely approximate the work environment of business professionals, a series of individual and group-based reports (written and oral), and a computer simulation game will serve as the focus and primary output of student learning activities. Professional presentation skills will be expected and evaluated accordingly. Think of your group as a small firm or as a self-managed project team within a larger company. Course activities will be oriented toward analyzing and meeting the challenges of managing smaller, service-oriented firms in a dynamic global competitive environment. The ultimate learning objective of this course is to help students learn how to "think strategically," whether in managing organizations or their own careers. *This course counts for the writing intensive graduation requirement.*

COURSE LEARNING OBJECTIVES:

- To develop your capacity to think strategically about a company, its business position, and how it can gain and hold a sustainable competitive advantage.
- To build your skills in conducting strategic analysis in a variety of industries and competitive situations.
- To give you hands-on experience in crafting business strategy, reasoning carefully about strategic options, using what-if analysis to evaluate action alternatives, and making strategic decisions.
- To improve your ability to manage the organizational process by which strategies get formed and executed, including the group dynamics associated with working effectively as a team.
- To integrate the knowledge gained earlier in your business courses.
- To develop your powers of managerial judgment, help you learn how to assess business risk, and improve your ability to create results-oriented action plans.
- To give you the skills and insights needed to address ethical dilemmas, balance personal, societal, and organizational values, and operate with integrity in response to stakeholder expectations, while pursuing the long term best interest of the firm.

STUDENT RESPONSIBILITIES:

Workload and budgeting your time:

This is a challenging, time consuming course; be sure to budget enough time to do the reading, work on assignments, meet deadlines, and meet with your group outside class on group projects, especially the decisions for the *Airline* simulation game.

Preparation of written materials:

This is a writing intensive course. This means that you will have to do a significant amount of writing, both for individual assignments and for group projects. You will also be given an opportunity to develop your writing skills via instructor feedback on your first draft. Students are encouraged to e-mail or bring by hard copies of their drafts to their instructor **AT LEAST THREE DAYS BEFORE THEY ARE DUE**. *An assignment turned in after the end of the class period on which it is due will be lowered two full grades.* Your writing will be evaluated, both for content and for skill in organization and presentation. A poorly formatted assignment with markedly substandard spelling and grammar will be lowered one letter grade.

Class attendance and participation in case discussion:

Attendance at all class sessions is expected, especially for class discussion of assigned cases. An attendance sheet will be passed around for each class period. Tardiness is disruptive to the class. A persistent pattern of showing up late for class will be noted and factored into your participation score. Also, please turn off pagers and cell phones during the class. Let me know if you have a family situation that requires that you be in contact with your kids.

Participation involves much more than attendance. It is expected that you will have read the case or text material before coming to class. Be prepared to offer your opinion and to ask thoughtful questions. If there is a team meeting during the class period, you should be there. If you miss a case discussion, you must turn in your response to the study questions by the next class period. Otherwise, there will be a 5% reduction of your participation points.

Preparation for case discussion:

A list of study questions will be handed out several days prior to the case discussion. A review of these questions before reading the case is highly recommended. You should also review the material in the assigned chapters to integrate the "facts" of the case into a conceptual framework.

Individual case analysis papers:

See the "Guide to Case Analysis" in the text, pp. C-2 to C-16. You will receive detailed instructions on how you should develop your report. The appropriate focus is a "report to management" rather than to your instructor. Outside research to update the case is appropriate, but you should not simply recommend "what happened." The point is to develop your own skills at strategic analysis and decision-making.

Team case analysis:

Teams will be assigned the task of preparing for class presentation an in-depth analysis of one case. The team will function as the principal resource for the class discussion of the case. The team will receive a grade for the quality of its presentation. A full written report is not required, but the team should turn in copies of its exhibits and its action recommendations.

Airline simulation game:

You will receive more detailed instructions on the simulation game later. Active participation by each team member is essential if your team is to do well and to learn from this integrative experience. **Failure to participate fully in group projects can lead to a member being "fired" from the group and/or deleting the "free rider's" name from the group report.**

COURSE REQUIREMENTS:

<u>Individual Activities:</u>	<u>Points:</u>
1. Career mission statement	10
2. Resume tuneup	20
3. Quiz on <i>Airline</i> game rules	20
4. Written case analysis #1:	100
5. Written case analysis #2:	100
6. Midterm exam	100
<u>Group Activities:</u>	
1. Competitive Analysis of ValuJet case	25
2. Group case presentation	75
3. Startup Plan for <i>Airline</i> game	25
4. <i>Airline</i> logbook	50
5. Management Audit report of game performance	100
6. Final debriefing oral report on game performance	25
<u>Participation:</u>	
1. Peer evaluation	50
2. Instructor evaluation	<u>50</u>
<u>Total Points:</u>	750

Determination of grade: A = 750-675; B = 674-600 ; C= 599-525; D = 524-450

NOTES:

1. To get credit for this course, all *business majors* must take the Educational Testing Service (ETS) Field Exam for Business during the final exam period. Your score on this test will not affect your course grade. The results of this learning outcomes assessment instrument are needed to help the School of Business achieve AACSB accreditation. You can do your part by taking the exam seriously and doing your best. Any exceptions to this requirement must be approved in advance by Professor Marcia Sakai, Director of the School of Business.

2. If you have a documented disability and wish to request accommodations, please contact the University Disability Services Office at 933-0816 (V) or 933-3334 (TTY), Campus Center 311 as early in the semester as possible.

SCHEDULE OF LEARNING ACTIVITIES:

Mon. Aug. 25: Course Introduction

Activity: Form groups

Wed. Aug. 27: Overview on Strategic Management Process

Reading: Thompson & Strickland (T&S), Chapter 1. "Robin Hood" Case #25

Handout: Career Mission Statement assignment. Due on Sept 3 (10 points)

Mon. Sept. 1: Labor Day Holiday

Wed. Sept. 3: Establishing Organizational Direction

Reading: T&S, chapter 2

Activity: Review UHH School of Business & Economics mission statement

Career mission statement assignment due (10 points)

Mon. Sept. 8: Case Discussion: "The Solar Feeder"

Reading: T&S, Case #2 and "Guide to Case Analysis", pp. C-2 to C-16. Pay special attention to the table of financial ratios. Review study questions before coming to class.

Wed. Sept. 10: Industry and Competitive Analysis: Five Forces Model, Value Chain Analysis, and Strategic

Group Mapping

Reading: T&S, Chapter 3

Video: "Defense Personnel Support Center"

Mon. Sept. 15: Work session on group case assignment.

Reading: "ValuJet and the Airline Industry" (Handout)

Video: "ValuJet"

Wed. Sept. 17: Introduction to *Airline* simulation game

Video: "Southwest Airlines"

Work on ValuJet report (10 points) Due Mon. Sept. 22

Work on company name and logo (Incident A) and Organizational Chart (p. 61)

Mon. Sept. 22: Evaluating the Firm's Resources and Capabilities, Using Value Chain Analysis

Reading: T&S, Chapter 4

Video: "Defense Personnel Support Center" and "Barchetti's Men's Store"

Turn in ValuJet group report (25 points)

Wed. Sept 24: Airline Game Warmup Exercise

Work on Airline Startup Plan (25 points)

Quiz on Airline game rules (20 points)

Mon. Sept. 29: Generic Strategies as Sources of Competitive Advantage

Reading: T&S, chapter 5.

Video: "Brew Ha Ha"

Wed. Oct 1: **Airline Startup Plan (25 points) and Decision #1 due at end of class. Groups introduce their new airline companies to class.**

Mon. Oct. 6: Groups analyze results from Decision #1 and work on Decision #2 (**Decision #2 due on Oct 8 at beginning of class.**)

Wed. Oct 8: Case #9: Azalea Seafood Gumbo Shoppe

General discussion of integrative case: Review study questions before coming to class.

Turn in Airline Decision #2

Mon. Oct. 13: Case #5: "Zap and the Electric Vehicle Industry"

Turn in First Draft of Individual Written Case Analysis. Due one week after it is returned to you.

Work on Airline decision #3

Wed. Oct 15: Strategies in Globalizing Markets

Reading: T&S, chapter 6; handout on job losses in manufacturing

Video: "Outsourcing IT Jobs"

Turn in Airline Decision #3

Mon. Oct. 20: Business Models in the Internet Era

Reading: T&S, Chapter 7

Wed. Oct. 22: Case #16: "Music on the Internet"

Review case study questions in advance

Turn in Airline Decision #4

Mon. Oct. 27: Review for Midterm Exam

Wed. Oct. 29: **Midterm Exam (100 points)**

Mon. Nov. 3: **Resume Tuneup Workshop** (Bring an existing resume, if available). **First draft of revised resume due Nov. 12. (20 points)**

Wed. Nov 5: Tailoring Strategy to Fit Different Competitive Situations

Reading: T&S, chapter 8

Turn in Airline Decision #5

Mon. Nov. 10: Case #18: E-Bay in 2001

Turn in first draft of individual case analysis. Final draft due one week after it is returned to you (100 points)

Wed. Nov. 12: Strategy and Competitive Advantage in Diversified Companies

Reading, T&S, chapter 9 (skim) and chapter 11

Turn in Airline Decision #6

Mon. Nov 17: Case handout for group exercise in class: Wallace Group

Wed. Nov. 19: Strategy Implementation: Building Organizational Capabilities and Corporate Culture

Reading: T&S, chapter 12-13

Turn in Airline Decision #7

Mon. Nov. 24: Group work sessions on case presentations

Turn in Airline Decision #8

Wed. Nov 26: Group work sessions on case presentations (To be determined)

Turn in Airline Decision #9

Mon. Dec. 1: **Case Presentations (2) 75 points**

Wed. Dec. 3: **Case Presentations (2) 75 points**

Mon. Dec. 8: **Case Presentations (1) 75 points**
Course evaluation

Wed. Dec. 10: **Airline Game Debriefing reports (25 points) Turn in Airline Game Log (50 points) and Management Audit (100 points)**

Instead of a final exam, all business majors *must* take the ETS Business Field Exam during the scheduled final exam period for this class. Your performance on this exam will *not* affect your final exam for the class, but a solid performance will help the School of Business in its AACSB Self Study accreditation effort.

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