

FRANKLIN UNIVERSITY SWITZERLAND

BUS 353—STRATEGIC MANAGEMENT THEORY

Spring 2019

Tue/Fri 14:30 - 15:45, LAC (North Campus) 2

Professor Roberto Cordón

Office Hours: Tuesdays and Fridays 16:00-17:00; or by appointment
LAC (North Campus) Office 7, phone: 091-9863671

E-Mail: rcordon@fus.edu

Final Exam: Friday 10 May, 13:30-15:30

Course Description (from the course catalogue)

Strategic management is the study of firms and the political, economic, social and technological environments that affect their organization and strategic decisions. This course considers the market environments in which firms operate, and provides theoretical foundations, focusing on economic and strategic theories of the firm and introducing key concepts of organizational theory. Practically, the course looks at the creation of competitive advantage of a firm in the global arena. The readings and class discussions include both theoretical concepts and practical case studies.

Prerequisites: BUS 115, BUS 135, BUS 136 and ECN 101. (Junior status recommended)

Course Objectives

This course builds on the business foundations laid out in introductory courses, considering the external market environment in which international companies operate and the strategies they apply in order to be successful. A *primary goal* is for students to become familiar with some of the basic theories and methodologies of business strategy. We will discuss the various factors (competences, supply/demand, constraints, etc.) that managers need to evaluate in order to choose strategies and some of the organizational implications of these decisions. Although the focus will be on larger multinational firms, the concepts of strategy apply to most client-oriented organizations, even in the non-profit or governmental sectors.

A *secondary goal* will be to develop skills useful in business communications, such as writing short memos or strategic briefs, prepare presentations with PowerPoint and graphs using Excel or similar software.

The course should provide the groundwork for further courses looking at the individual-level of management (Organizational Behavior) or more advanced courses in Org. Theory and Strategy.

Student Learning Outcomes

- Understand how the political, economic, social and technological environments in which a firm operates affect decision-making and business policy.
- Be familiar and able to apply the basic methodologies and concepts of strategy formulation.
- Be conversant on the classic economic theories that underpin business strategies.
- Be able to prepare simple industry briefs and evaluate corresponding firm strategies.
- Understand how strategy and structure relate to each other in firm operations.

Textbook and Readings

- A. Thompson, A. Strickland, et al, Crafting and Executing Strategy: The Quest for Competitive Advantage (Concepts and Cases), 2nd International Edition, McGraw Hill, 2017 (T&S)
- Extracts from:
 - J.D. Daniels, L.H. Radebaugh and D. P. Sullivan, International Business: Environments and Operations, 15th Edition (International), Pearson, 2015 (D&R)
 - Peter Drucker, Management: Tasks, Responsibilities and Practices, Harper and Row, 1974.
 - Joseph Mahoney, Economic Foundations of Strategy, Sage, 2005 (Mah)
 - Walter Kiechel, The Lords of Strategy, HBR Press, 2010 (Kie)
- Students should follow international business issues on a regular basis by reading the business sections of newspapers and magazines such as the *New York Times*, *Wall Street Journal*, *The Economist*, *Business Week*, or local publications. This will contribute to effective class participation.

Course Requirements

- Weekly readings from textbook or other sources, as assigned by instructor.
- Midterm and Final Tests
- 5 memos/briefs (1-2 pages) on textbook questions or case studies.
- Business policy projects on the dynamics of an industry and the strategic choices of a company, chosen from a list to be distributed. These will be short analyses (5-7 pages) and the professor may request that they be handed in as an annotated PowerPoint presentation instead.

Grading (*indicative, may vary slightly*)

• Midterm	14%	
• Final Exam	16%	
• Memos/Briefs	25%	
• Business policy projects	25%	
• Class Contribution	20%	=100%

All elements will be graded on a scale of 0 to 100. Grades are generally distributed along a normal curve. However, I am perfectly willing to bend the curve one way or another if many students perform well or poorly. ***Students need to pass (>60%) at least either the midterm or the final exam, regardless of performance in other course elements. Indicatively:***

A: > 93.3	A-: 90 - 93.3	B+: 86.7 - 90	B: 83.3 - 86.7	B-: 80 - 83.3	C+: 76.7 - 80
C: 73.3 - 76.7	C-: 70 - 73.3	D+: 66.7 - 70	D: 63.3 - 66.7	D-: 60 - 63.3	F: < 60

Attendance and Class Contribution

Class attendance is essential to perform well in this course. ***Thus, active and constructive participation in class discussions will be rewarded.*** The class contribution grade will be determined as follows:

- Students get 8 points just for attending regularly. Two absences are allowed “for free”; after that 1 point will be deducted for each absence. Coming late to class (>5 min.) is worth ½ point.
- 12 points will be allotted based on contribution (overall involvement and quality of interventions). An A+ means 12 additional points; an A is 11; an A- is 10; a B+ is 9; and so on.

Late Assignments Policy

Students needing extensions for their written assignments should discuss them in advance with the instructor. The standard penalty is 5% (half a letter grade) per day.

Laptops and Cellphones

As they are very disruptive to the instructor and other students, laptops are not allowed in class and cell phones should be turned off. If your phone rings during class, you will leave the classroom and will not be allowed back in.

Indicative Course Schedule

Week of:	Topic	Reading
22 January	Orientation and Geopolitics The purpose of strategic theory Common beliefs and issues in strategy	class presentation Intro from Kie (handout)
29 January	What is Strategy? Economic and managerial theories of the firm: - Transaction Cost Theory (Ronald Coase) - Bounded Rationality (Herbert Simon) <i>Discussion on writing business memos/briefs</i>	T&S Ch. 1 Extract from Mah (handout) class presentation
05 February	Vision, Mission and Strategy	T&S Ch. 2
12 February	The external environment of firms Porter's Five Forces	T&S Ch. 3
19 February	The Internal Capabilities of the Firm (Intro) Resource-based View of the Firm and the VRIO framework <i>No class on Friday 22 February (university break)</i>	T&S Ch. 4 B&H Ch. 3 (handout)
26 February	Generic firm strategies <i>Industry analysis project delivered on 01 March</i>	T&S Ch. 5
05 March	Review and Discussion <i>Midterm Quiz tentatively on 05 March</i>	
12 and 19 March	<i>Academic Travel (enjoy!)</i>	
26 March	Strengthening the competitive position and changing the game	T&S Ch. 6
02 April	International Growth Porter's Diamond of National Competitive Advantage	T&S Ch. 7 handout
09 April	Corporate Strategy <u>Or</u> independent work assignment, depending on travel schedule	T&S Ch. 8
16 April	(cont). Corporate Strategy Ethics, CSR and Sustainability	T&S Ch. 8 T&S Ch. 9
23 April	Strategy and organization The Tortuous Evolution of the MNC	T&S Ch. 10 Perlmutter (in .pdf)
30 April	Organizational Culture and Leadership Strategic Thinkers "Why Managers?" and "The Manager's Work and Jobs" <i>Company project delivered on 30 April</i>	T&S Ch. 11 P. Drucker (handout in .pdf)

Final Exam on Friday 10 May, 13:30-15:30

Statement on Cheating and Plagiarism

A student whose actions are deemed by the University to be out of sympathy with the ideals, objectives or the spirit of good conduct as fostered by the University and Swiss community, may be placed on Disciplinary Probation or become subject to dismissal from the University. Cheating and plagiarism are dishonest actions that run counter to the University ideals. Furthermore, cheating reflects negatively on one's personal integrity and is unjust to other students. Consequently, the University has adopted the following code:

- When an examination is in progress, all unauthorized books, notes, papers, notebooks, and phones must be left outside the classroom, or, where this is not feasible, left beneath the student's seat unopened.
- Students will be asked to distribute themselves around the room during an exam so as to leave the widest possible space between them.
- During the examination only the blank paper required for the examination and a pencil, pen or other tools as permitted by individual instructors may be on the desk.
- Should an instructor see written crib notes in evidence or see a student consult a cell phone during an exam, the presumption will be that the student has cheated on that exam.
- If a student must leave the classroom during an examination due to physical duress, the student must turn in the exam and will not be allowed to return during the examination period. No make-up examination will be administered.
- It is within the prerogative of the instructor to take a student's paper during an exam and to ask that student to take an oral exam, or another exam, at the instructor's discretion.
- A student found cheating will be reported to the Dean of Academic Affairs. A second offense, in the same or any other course, will result in dismissal from the University.
- A student found cheating on an exam will be given an "F" for that examination. If it is a final examination, the student may be given an "F" for the course.
- A student whose paper or assignment has clearly been plagiarized will receive an "F" for that paper. Notification will be sent to the Dean of Academic Affairs. A second offense, in the same or any other course, will result in dismissal from the University.

Cases of academic dishonesty may be handled by the instructor in whose course the violation occurred if the matter is a result of student ignorance or is a first offense. The instructor will assess the severity of the violation and impose an appropriate penalty. In the event of a repetition of dishonesty, the matter will be referred to the Dean of Academic Affairs, and the student will risk dismissal from the University.

Furthermore:

A student who is strongly suspected of submitting a paper written by someone else, may receive a failing grade for the course, unless the student can prove his/her authorship. The professor will decide on a suitable means of assessment, e.g. by an oral discussion on the paper's topic, by providing evidence of a meaningful research and drafting process, or other appropriate mechanisms. In such cases, the student will also be reported to the Dean of Academic Affairs on the grounds academic dishonesty.

By the same token, if there is a strong suspicion that a student has written a paper for another student, they will be referred to the Judicial Board for potential disciplinary sanction, according to the FUS' Code of Conduct.

Please note that I hold the above statements very seriously. In my courses, any case of cheating will result in an automatic "F" for the whole course.