



Korea University International Winter Campus (KU IWC) 2019~2020

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December 27, 2019 ~ January 16, 2020

IWC129 - Strategic Management

I . Instructor

Professor : Dr. K. Praveen Parboteeah
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II. Textbook

Required Textbook : Thompson, A.A., Peteraf, M.A., Gamble, J.E. and Strickland, A.J. 2014. *Crafting and Executing Strategy: The Quest for Competitive Advantage* (20th edition). New York: McGrawHill Education. ISBN: 978-0078029509



Recommended Additional Readings : Business Week, Wall Street Journal, Economist, Fortune, Harvard Business Review and other business periodicals.

III. Course Description and Objectives

This course focuses on the role of a general manager of a company. Its purpose is to help you develop the skills that are necessary to diagnose problems and other critical issues in complex business situations and find realistic solutions to these strategic and organizational problems. The ultimate objective is to charter a course of action that will achieve the objective of sustaining a company's competitive advantage.

More specifically, the course aims to help you:

1. To draw from your other business knowledge base you have been accumulating from course work in accounting, finance, economics, marketing, and management to think of a business enterprise as a whole
2. To understand the various linkages among these various areas and how they affect a company's success
3. To learn skills in evaluating a company's internal and external environments which are necessary foundations for evaluating and formulating strategies
4. To attain skills in matching internal and external environments in order to formulate business level strategies
5. To understand business and corporate level strategies and the differences between the two levels

6. To evaluate corporate level strategies and formulate appropriate corporate level strategies
7. To learn how to apply the above skills to vicarious but realistic company experiences (cases) in order to formulate apt business and corporate level strategies
8. To provide you with the opportunity to improve crucial business skills – formal and informal oral discussions of business problems, business writing, team work, research, business presentation

IV. CLASS STRUCTURE

The class is structured so that you have the opportunity to apply the tools taught during lectures through case study analysis. Case studies provide you with real companies, situations, and problems they face. Careful case analysis will allow you to understand problems general managers face and how to deal with such problems.

In analyzing case studies, you should understand the company's position, identify its key strength(s) and weaknesses, understand the industry the company is in, and prescribe an action plan grounded in facts of the case. Typically, you should be able to answer these questions: What is the history behind the company? How has the company developed and grown over time? What industry situation does the company face? Is it an attractive or unattractive industry? How are industry conditions changing? Who are the company's competitors? How does the company position itself vis-à-vis competitors? Are there other potential competitors? What are the company's strengths and weaknesses? How are the company's strengths and weaknesses changing? Can the company rely on existing strengths for the future or does it have to develop new ones? What does a SWOT analysis reveal? What is the company's business level strategy? What is the company's corporate level strategy? What should the company do? Answers to 'what should be done' are contained in an action plan. The action plan should provide answers to the following questions: What is the issue? What needs to be done? Who will do it? When will it be done? How will it be done?

V. COURSEWORK, POLICIES, AND PROCEDURES¹

GRADING

2 Exams	40%
Case write-up (5)	20%
In-class exercises (7)	21%
Group Case	10%
Presentation	9%

EXAMS

Two exams have been scheduled for this class. The examination will follow a multiple-choice format. All exams will be non-cumulative and closed book/notes. Test materials for exams will come from the textbook, lectures, discussions, video clips, case presentations, and other topics discussed in class.

¹ Hints on doing well in this class: Come to class prepared. Attend class regularly. Read the assigned chapters before coming to class. Don't be afraid to ask questions and share your opinion with the class: remember, participations cards are easy to get and delaying your participation will only make it harder at the end. Prepare study questions. Prepare for exams. And, ALWAYS ask if in doubt.

CASE WRITE-UPS

Eleven case write-ups have been assigned during the summer semester. You will need to produce a report answering the two questions **in bold for FIVE CASES**. Your response should be typed and should not exceed THREE PAGES DOUBLE-SPACED. You cannot submit more than FIVE cases. If your group is presenting that day, you CANNOT complete the case write-up.

IN-CLASS EXERCISES

There will be regularly scheduled in-class exercises ranging from discussion questions to experiential exercises. These can only be completed in class. You will not get credit if you are absent.

GROUP CASES: REPORT AND PRESENTATION

The class will be soon assigned to different groups. For each class session, a group has been assigned a case. It is the responsibility of the group to collaborate and prepare a report answering the questions listed. The report should NOT exceed 12 pages double-spaced. However, there are no limits on appendices. The group should also prepare a power point presentation for the class. The presentation should last about 45 minutes. Presentations significantly shorter or exceeding 45 minutes will be penalized. **You are also expected to update the case and present the latest findings.**

FINAL RULES/NOTES

- I will be taking attendance. If you are late, you will be considered absent. If you are absent more than four times, your grade will fall by one letter grade.
- Please make sure to turn off your cell phones or pagers before class. Laptop use IS NOT allowed during class time. Please make sure to keep your laptops in your bags.
- This class follows a discussion rather than a lecture format. All students are expected to contribute actively to the discussions.
- Assignments can only be collected in class (unless otherwise noted). Assignments will NOT be accepted if you are not in class.
- To get the most out of this class, you should come prepared. Read the assigned material, cases, etc. and be ready to share your findings in class. I encourage you to use the internet to research the companies and issues to get the most updated information.
- Any breaches of academic dishonesty detected will be pursued to the fullest extent of the university disciplinary guidelines. Do not cheat or plagiarize. Submit your original work unless it pertains to the group project. See Code of Conduct at the end of this syllabus.
- This syllabus is only tentative and may be subject to change.

VI. Class Outline

Date	Topic	Chapter
Dec 27 (Fri)	Class syllabus/Introductions etc.	Chapter 1
Dec 28 (Sat)	What is strategy? Why bother with strategy? Why is ethics so critical today? What are some dangers of being unethical? Why is strategy execution so important? What make a strategy a winning strategy? What are the functions of a mission? What are the dangers of having a broad/narrow vision? Why is profit not included in mission? How easy is it to set objectives? At what organizational levels are objectives needed? What is the difference between a strategic objective and	Chapter 1/2

Date	Topic	Chapter
	<p>a financial objective? Which objective takes precedence? What is strategic intent? What is a corporate strategy?</p>	
Dec 30 (Mon)	<p>Why should we study the industry? What are some of the economic elements of the industry? How can we study the competition? What are each of the Porter's five forces? What are driving forces? What information do driving forces provide? What are strategic groups? What information does the strategic group map provide?</p> <p>Case 1- Case 3 - C11 - GROUP A</p> <p>1. What are the chief elements of the strategy that Whole Foods Market is pursuing?</p> <p>2. Is Whole Foods' strategy well matched to market conditions in the food retailing industry (one of the criteria for a winning strategy discussed in Chapter 1)?</p> <p>3. How well is Whole Foods Market performing from a strategic perspective? Does Whole Foods enjoy a competitive advantage over its 3 chief rivals—The Fresh Market, Trader Joe's, and Sprouts Farmers Market? Does the company have a winning strategy?</p> <p>4. What recommendations would you make to John Mackey regarding the actions that Whole Foods' management needs to take to sustain the company's growth and financial performance?</p>	Chapter 3
Dec 31 (Tues)	<p>What are strengths and weaknesses? How can we identify competitive strengths and weaknesses? What are some of the essential characteristics of strengths to sustain competitive advantage? What are opportunities and threats? What is the value chain? What information does the value chain provide? What information can we get from the company situation analysis? What information does the value chain for the industry provide? Why is hard to determine the value chain for competitors?</p> <p>Case 2- (Answer 2 and 4 - No more than 3 pages double-spaced) -</p> <p>Group B - Answer all 4 questions - Maximum 10 pages</p> <p>Case 7 - Lagunitas Brewing - C91</p> <p>1. Identify the key environmental changes in the beer industry. Which have most aided the growth in the US craft beer market?</p> <p>2. How attractive is the US beer market? Use Porter's five forces to assess the market attractiveness. Does the craft beer segment vary in terms of the five forces' impact on industry attractiveness?</p> <p>3. What is your assessment of LBC's performance relative to its peers? What does a strategic group map of the brewing industry reveal? Has LBC been successful?</p> <p>4. What recommendations would you make concerning expansion and the construction of the new brewery? How</p>	Chapter 4

Date	Topic	Chapter
	will Magee ensure consistency of the Lagunitas brand across multiple breweries?	
Jan 1 (Wed)	No class – Happy New Year	
Jan 2 (Thu)	<p>Describe each of the five generic strategies. When is a low-cost strategy more desirable than a differentiation strategy? When will a focus strategy fail? What are broad differentiation strategies? What is a best cost provider? What is a best cost provider the most appropriate strategy?</p> <p><u>Case 3 - (No more than 3 pages doubled-spaced) - Group C</u></p> <p>Case 16 - C216</p> <p>1. What are the primary competitive forces impacting U.S. steel producers in general and the producers like Nucor that make new steel products via recycling scrap steel in particular? Please do a five-forces analysis to support your answer.</p> <p>2. What driving forces do you see at work in this industry? Are they likely to impact the industry's competitive structure favorably or unfavorably?</p> <p>3. What type of strategy has Nucor followed? Which of the five generic strategies discussed in Chapter 5 is Nucor employing?</p> <p>4. Is there any reason to believe that Nucor has achieved a sustainable competitive advantage over many of its steel industry rivals? If so, what type of competitive advantage does Nucor enjoy?</p>	Chapter 5
Jan 3 (Fri)	<p>What are offensive and defensive strategies? When should companies favor an offensive strategy over a defensive strategy? What is vertical integration? What are some of the advantages and disadvantages of vertical integration? What is a first mover advantage? What are the bases of first mover advantages? When can first mover advantage turn to disadvantage? Describe the example of a company that succeeded because it was a first mover.</p> <p><u>Case 4 - (No more than 3 pages double-spaced) - Case 8 - C101 - Group D</u></p> <p>1. What do you see as the key success factors in the global automotive tire industry?</p> <p>2. What are the primary components of Cooper Tire's value chain?</p> <p>3. How have Cooper Tire's business strategy choices strengthened or weakened its competitive position in the automotive tire industry? That is, what are the benefits and drawbacks of the approaches taken to increasing Cooper Tire's global scope?</p> <p>4. What are the key elements of Cooper Tire's strategy? Which one of the five generic competitive strategies</p>	Chapter 6

Date	Topic	Chapter
	discussed in Chapter 5 most closely approximates the competitive approach that Cooper Tire is employing? Justify your answer.	
Jan 6 (Mon)	Mid-term Exam	Chapters 1~6
Jan 7 (Tue)	Field Trip	
Jan 8 (Wed)	<p>Why do companies expand into foreign markets? What are some of the factors encouraging companies to globalize? What is the difference between multi-country and global approaches to international strategy? When is a global strategy more desirable than a multi-country strategy? What are some of the strategic options to go international? Select two options and discuss two advantages and two disadvantages. Why are strategic alliances so popular nowadays? What are some advantages and dangers of strategic alliances?</p> <p>Case 5 - (No more than 3 pages double-spaced) - Case 20 - C295 - Group E</p> <p>1. How would you describe Wal-Mart's international strategy leading up to its acquisition of Massmart in Africa? What has Wal-Mart learned from its experiences in Germany, Japan, and South Korea?</p> <p>2. Is there anything that Wal-Mart has done or is now doing in its drive to enter Africa and other international markets that could legitimately be considered as "unethical" by its stakeholders? Why or why not?</p> <p>3. How should Wal-Mart resolve the tension between market pressures to localize its product offerings country by country and competitive pressures to lower costs? Explain.</p> <p>4. Should Wal-Mart adapt its business model to be better suited to local conditions in Africa? In what ways? What are the pros and cons?</p>	Chapter 7
Jan 9 (Thu)	<p>What is business ethics? How is business ethics related to competitive advantage? What are some approaches to managing business ethics? When are companies/individuals most likely to act unethically? Is ethical behavior universal? How can a company's ethical conduct be managed? What is the ethical culture approach? How can it be implemented? Why is it so important for a company to be ethical?</p> <p>Case 6 - C432 in Text - Group F</p> <p>1. Does it seem that Samsung has made a commitment to operating in a socially responsible manner? Based on the five components of a socially responsible strategy depicted in Figure 9.2 in Chapter 9, is Samsung Corporation's Vision 2020 strategy socially responsible? How does it address the needs of all of its stakeholders? Explain.</p>	Chapter 9

Date	Topic	Chapter
	<p>2. Evaluate the key environmental strategy implementation efforts at Samsung since the roll-out of its “Eco-Management Initiative 2013” in 2009. Has management allocated sufficient resources to the sustainability effort?</p> <p>3. How does Samsung link rewards and incentives to strategically-important employee behaviors and the company’s targeted sustainability outcomes?</p> <p>4. What recommendations would you make to Samsung management to increase its triple bottom-line performance? Provide a justification for these recommendations.</p>	
Jan 10 (Fri)	<p>What are the key elements of strategy execution? What are the key aspects to pay attention to in order to properly hire, train and retain employees? How can the company build and upgrade its resources? How can core competencies and capabilities be built? What is organizational structure? How can the organizational structure shape the strategy? How can the strategy shape organizational structure? Which should come first: strategy or structure? What are the advantages of functional structure? When is a product structure more desirable than a functional structure?</p> <p>Case 7 - Case 26 - C376 in Text - Group G</p> <p>1. How did Nordstrom build their organization for proficient strategy execution?</p> <p>2. How did the organization’s culture reflect in the “Nordstrom Experience”?</p> <p>3. How did Nordstrom build the employee component of the organization’s strategy-supportive resources and capabilities for good execution of their customer service strategy? What was Nordstrom’s philosophy on the “right people”?</p> <p>4. Explain the challenges to Nordstrom’s concept of customer service in the digital era. What advice can you offer Nordstrom’s management to help preserve and enhance the Nordstrom signature service level?</p>	Chapter 10
Jan 13 (Mon)	<p>Why do companies need appropriate resource allocation? How does well-conceived policies and procedures facilitate strategy execution? How can companies identify best practices? What are some examples of ways to identify best practices? Why is it critical to install information systems? What benefits can IT systems bring to companies?</p> <p>Case 8 OR Case 28 - C403 in Text - Group H</p> <p>1. Evaluate the key strategy implementation efforts at Amazon. Has management allocated sufficient resources to the strategy execution effort? Exercised strong leadership to propel strategy execution forward?</p>	Chapter 11

Date	Topic	Chapter
	<p>Instituted policies and procedures that facilitate good strategy execution? Explain.</p> <p>2. What is the role of information and operating systems at Amazon? Do these enable company personnel to carry out their strategic roles proficiently? To what extent are these systems providing Amazon with a competitive advantage?</p> <p>3. In what ways, if any, is the use of big data helping or hindering Amazon? Is the use of big data reflective of a commitment to corporate social responsibility? Why or why not? Are there any changes to its CSR strategy that you would suggest?</p> <p>4. What business strategy recommendations would you make to Jeff Bezos, Amazon's CEO? Should the company redouble its efforts to broaden its horizontal or vertical scope using big data? Should the company consider new strategic partnerships or new acquisitions?</p>	
Jan 14 (Tue)	<p>What is corporate culture? How does corporate culture affect employee behavior? How is corporate culture linked to ethics? How can top management shape corporate culture? How can culture aid strategy execution? What can managers do to change culture?</p> <p>Case 9 OR Case 25 - C340 in Text - Group I</p> <p>1. What are the key policies, practices, business principles, and procedures that underlie how Southwest management has implemented and executed the company's strategy?</p> <p>2. What are the key elements of Southwest's culture? Is Southwest a strong culture company?</p> <p>3. Which of Southwest's strategy execution approaches and operating practices do you believe have been most crucial in accounting for the success that Southwest has enjoyed in executing its strategy?</p> <p>4. What weaknesses, problems, or strategic issues do you see at Southwest Airlines that need to be addressed by top management?</p>	Chapter 12
Jan 15 (Wed)	Final Exam	Chapters 7~12
Jan 16 (Thu)	Course Conclusion	