

Campbell University  
Lundy-Fetterman School of Business  
MBA Program  
BADM 758 – Strategic Management  
Summer II 2008  
Buies Creek Campus

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Day and Time: 6 pm – 10:00 pm, Monday, June 24 – August 11, 2008.

Text: Strategic Management, Competitiveness and Globalization. Hitt, Ireland, and Hoskisson, 8<sup>th</sup> ed., Thomson, South-Western College Publishing, Cincinnati, Ohio, 2009.

Recommended: The Gregg Reference Manual. Sabin, W. A. (2005). McGraw-Hill Irwin.

Supplemental Material: Wall Street Journal, Forbes, Fortune, Business Week, NCLIVE, DataMonitor, Mintel Reports, and MergentOnline, Standard and Poor's Industry Surveys, and Value Line.

Grade Components: Your course grade will be based on the following components and percentage distribution:

Cases (five)	40 percent
Mid-term examination	20 percent
Final examination	20 percent
Major paper	20 percent

Grading Criteria: Criteria breakdown will be as follows:

A = 100 – 90, B = 89 – 80, C = 79 – 70, F = 69 and <.

The following letters will also be used: "I"- Incomplete; "I" is assigned in situations

when the progress is satisfactory, but due to reasons beyond the student's control, the student is unable to fulfill all course requirements. Such records must be cleared within 30 days after the opening of the next semester or the "I" will become an "F."

Test procedures: Consult the syllabus for examination dates. The examinations will be cases from your text or other sources. You will receive notification of which case, or be provided the case, one week before the examination. You will have two hours for the examination.

Note: Students should make every effort to take examinations on the date scheduled. If a make-up exam is required, it will not be the same examination administered on the scheduled date and may be more difficult.

Cases: There are several cases in this course. Students should be prepared to participate fully in these discussions. Any lack of preparation that is noticed will be considered in the determination of the grade. There are two "types" of cases. Some cases will only be discussed in the classroom. Some cases will be submitted, in writing, as individual work and also discussed in the classroom.

Attendance: Punctual and regular class attendance is expected from all graduate business students. Students who miss more than two classes may receive a grade of an "F" in the course. Students should "network" to complete assignments and obtain notes for examination preparation. Success may be impacted by lack of student participation or poor class attendance.

Remediation: In the event of expected/unexpected absences, assignments may be requested of and will be granted by the instructor for makeup credit, provided a timely request is made.

Supplemental Reading: Supplemental in-class readings, in the form of case studies and academic and popular business literature, will be used by the instructor. Additional independent student research will be required for completion of some of the cases. Additionally, the following list represents some of the publications on course related subjects:

Jack – Straight from the Gut, Jack Welch

The 100 Best Companies to Work for in America, Levering and Moskowitz

Who Moved My Cheese, Bowles

The Southwest Airlines Way, Gittel

The Toyota Way, Liker

## The Wal-Mart Effect, Fishman

Academic Honor System: Adherence to Campbell University's academic honor code will be applied.

Plagiarism: ***Plagiarism will not be tolerated***. Examples include: Specific thoughts or ideas taken from reference sources in reports represented as the student's own original concepts/thoughts; specific wording, sentences taken in written form from other documents and presented as the student's own thoughts or words without proper notation/ footnoting. If you use any of your previous work (even unpublished), you must cite yourself. You may use APA, MLA, or CMS format. I prefer APA. Identified acts of plagiarism will result in a grade of F for the course.

Standards and Expectations: Students, by virtue of their enrollment in this course, agree to abide by the rules and procedures that govern the university community. For a better understanding of the academic regulations and policies, please review the 2007 – 2009 Campbell University Bulletin. For additional regulations and guidelines, please refer to the 2007-2008 MBA Program Campbell University Bulletin and the 2007 – 2008 Student Handbook.

Course Description: A capstone course for MBA students taught from the perspective of senior management. The course will integrate concepts, principles, and practices and apply thee to the strategic management of business organizations. Concepts such as the formulation of strategic vision, objectives, crafting a strategy, strategy implementation, and evaluation techniques will be learned using case analyses, computer simulations, and oral case presentations. The course will apply strategic management tools to examine traditional and e-business competitive environments. Includes an examination of the leadership role managers play in developing sustainable competitive advantage. Emerging issues will also be addressed.

### Course Procedure:

Students are expected to read the assigned chapters prior to the class and be prepared to engage the instructor and fellow students in a discussion of key concepts and principles presented in the text. Students may be divided into groups to conduct case analyses and to facilitate class discussions.

### Oral Case Analysis & Presentations:

The Case Study process is designed to allow students to “show case” their understanding and application of principles of strategic management and the strategic management model(s). Each student will be expected to take an active role in the presentations.

Written Case Analysis: The two examinations and the individual work will consist of case analyses. This will allow the student to demonstrate his/her knowledge and understanding of the strategic management model. Students will be evaluated on quality, content, and insight of their analysis and grammar, spelling, and punctuation.

#### MAJOR PAPER:

The major paper assignment is very simple. You have been appointed as the CEO of \_\_\_\_\_. Your assignment as the new CEO is to identify the issues of Wal-Mart and develop solutions for those issues. Your identification of the issues must be clear and specific. The general topic outline of the text is a good starting point:

The next step is to read, read, and read. You need an understanding of the history of \_\_\_\_\_ and its industry---and the current events of the firm and the industry.

It is reasonable to discuss the ethics aspect and corporate social responsibility of your solutions.

Please provide me a paper copy AND please also provide me a diskette/CD/E-mail version of your paper.

Your solutions must be clear and you must document why your solutions are viable.

The major paper is due August 11, 2006.

Course Exit Competencies: At the end of this course, as a minimum, the student should be able to demonstrate a working knowledge of the following:

Discuss the concept of "Strategic Management" and who is responsible for engaging in the process.

Explain how the direction of a company is established and define such key concepts as mission statement, strategic vision, and the different types of business/organizational strategies.

Explain the concepts of industry and competitive analysis and discuss some of the various ways and means of accomplishing this analysis.

Discuss the ways and means of evaluating the firm's resources and determining a firm's competitive capabilities.

Explain the relationship between strategy and competitive advantage to include single businesses, franchises, and global enterprises and Internet companies. Discuss how the relationship is best analyzed.

Discuss how and why strategies can and should be tailored to fit specific industry and company situations.

Explain how to evaluate strategies of diversified companies.

Discuss ways of managing the internal organization to promote better strategy execution.

Discuss and explain why corporate culture and leadership are key to effective strategy execution. Discuss in detail some of the keys senior management need to consider/follow.

#### Course Calendar

DATE	Chapter	Case (in class)	Case (to submit)
June 24	Introduction		
1	1		
	Preparing an Effective Case Analysis		
June 30	2	5	
	3		6
July 7	4	8	
	5		10
July 14	6		
	7		
	Mid-term		
July 21	8	13	

	9		15
July 28	10	16	
	11		21
August 4	12	27	
	13		29
August 11	Final		

The in-class cases are due on the date in the “Case (in class)” column. The cases that are to be submitted, in written form, are due on the date in the “Case (to submit)” column.

#### Case 1: 3M

Your report and overview should address the following key strategic issues:

1. Establish criteria for judging strategic performance by comparing past successes and strategies. Use a Balanced Scorecard framework to make sure that both financial and strategic controls are used to assess performance.
2. Define the company's core competency.
3. Determine if the company has a sustainable competitive advantage. If you determine that a sustainable advantage exists, support your claim. If you find it lacking, recommend actions that would secure a sustainable competitive advantage.
4. Identify any external environmental forces that have strategic implications in the future.
5. Evaluate the success of 3M's strategy in 2006 based on the criteria identified for judging strategic performance.
6. Evaluate 3M's acquisition strategy.
7. Recommend an integrated and coordinated set of commitments and actions which will exploit the company's core competencies, strengthen its competitive advantage, and maximize value.

#### Case 5: Boeing

Your analysis includes the following elements:

1. Compare the two competitor's strategies. Based on your knowledge of the industry, what conclusions can you draw?

2. Outlining a rough competitor analysis, what does the level of interdependence between the rivals reveal about competitive behavior that can be expected from Airbus?
3. Evaluate the pros and cons of Boeing's outsourcing strategy. Do you agree with the company's decision to "offload" parts production?
4. Review Boeing's cooperative strategy. What are the risks of its partnership arrangements?
5. In what ways can Boeing's international strategy be improved?
6. What are some of the near-term results you anticipate in the airplane production industry? Long-term results?

#### Case 6: Capital One

1. Before you begin your analysis, identify the executives from Capital One who you expect to be in your audience. What can you establish about the key members of Fairbank's management team?

Your report and overview should address the following key strategic issues:

2. Conduct an External Environmental Analysis, and identify key environmental forces that have immediate strategic implications for Capital One.
3. Conduct an Internal Environmental Analysis, and identify the capabilities and weaknesses within Capital One that have immediate strategic implications.
4. Based on these strategic inputs, define Capital One's business-level and corporate-level strategies, and evaluate their potential for continued success.
5. Evaluate the strategic fit of Capital One's recent acquisitions, and discuss the key strategic issues raised by the company's acquisition strategy.
6. Assess Capital One's international position.
7. Based on your complete analysis, recommend actions for Capital One to sustain growth and ensure maximum performance and value for shareholders.

Optional: Discuss the ethical ramifications of sub-prime lending at high interest rates.

## Case 8: Dell

Your analysis includes the following elements:

1. Based on your assessment of the external environment, what conclusions have you drawn, and what actions are required of the company?
2. What internal resources and capabilities at Dell would support these actions, and what weaknesses might interfere with the company's ability to implement a new strategy?
3. Define Dell's business-level and corporate-level strategies. Do they integrate the suggested actions?
4. Under what conditions would you recommend a change in Dell's unique business model?
5. What other commitments are necessary to reignite growth, position the company for the future, and win a competitive advantage by exploiting Dell's core competencies?

## Case 10: Ford Motor Company

1. Define and discuss Ford's business-level strategy.
2. How can the company's value-chain activities be better linked to create value for the company?
3. How can Ford successfully position itself in terms of the five forces of competition?
4. In what ways can the company effectively manage customer relationships to increase strategic competitiveness?
5. What conditions and tools can facilitate Ford's efforts to produce differentiated products at relatively low costs?
6. Outline a rough competitor analysis. What can be learned about expected competitor behavior by using the model of competitive rivalry to understand Ford's situation?
6. What role will strategic leadership play in helping Mulally and the organization meet its strategic objectives?

## Case 13: China's Home Improvement Market

1. Conduct a complete study of Home Depot Asia's external environment and identify the critical strategic factors in each of the following areas:
  - i. The General Environment
  - ii. The Industry Environment
  - iii. The Competitor Environment

2. Based on your analysis, do you agree with The Home Depot's decision to move into China?
3. Discuss the competitive rivalry and competitive dynamics facing the company.
4. Based on the information available to you, what were The Home Depot's strategic options for entering the China market? Discuss the pros and cons of each of these options. Which option would you have recommended?
5. The Home Depot has been scrutinized for moving cautiously into the China market. Discuss the impact and/or wisdom of its entry delay.
6. Define the international strategy selected and announced by the company in December 2006. What are the advantages and disadvantages of this strategy?
7. Outline the risks Home Depot faces as it begins operations in China.

#### Case 15: ING DIRECT

Arkadi Kuhlmann has asked you to participate in a strategy session to discuss the competitive and internal challenges facing ING DIRECT. He has emailed you a copy of the agenda, which includes the following key items:

- I. Industry Competition
- II. Internal Resources
- III. Strategy
- IV. Organizational Design
- V. Growth
- VI. Relationship with ING Group
- VII. Leadership

Knowing his reputation for directness, you fully expect to be asked your recommendations in each of these areas. To prepare, you should conduct Industry (Five Competitive Forces) and Internal (Value Chain) Environmental Analyses as well as provide a written summary supporting each of your recommendations.

## Case 16 JetBlue

David Neeleman has asked you to participate in a strategy session to discuss the competitive challenges facing JetBlue Airways. The young airline is at a crossroad and needs to develop a strategy to promote growth and secure profitable performance. He has emailed you a copy of the agenda, which includes the following key items:

- I. Financial Indicators
- II. Integrated Cost Leadership/Differentiation Strategy
  - A. Is transitioning from a differentiation strategy appropriate? What are the risks? How can it be accomplished?
  - B. Cost Management
  - C. Maintaining a Service-Oriented Culture
  - D. Enhancing the Quality of the Experience
- III. Competitive Rivalry and Dynamics
- IV. Strategic Options
  - A. Domestic Growth
  - B. Alliances
  - C. International Expansion

Knowing he expects you to fully contribute to the decisions that will be made during the meeting, you have decided to prepare by completing the following steps:

Summarize the external environment, including conditions in the general, I industry, and competitor environments.

Outline the company's internal capabilities and weaknesses.

Determine if JetBlue's competitive advantage is sustainable.

Conduct a Value Chain analysis to identify value-creating activities.

Summarize JetBlue's current strategy.

Define customer relationships.

Be ready to make and support your recommendations.

## Case 21: Nestle

You have a meeting scheduled later this month to give Bulcke direction on taking the company forward. You've outlined the following agenda for the meeting.

- I. Characteristics of the Current Competitive Landscape: Globalization, Technology, Knowledge, Strategic Flexibility, Quality, Profit Pool
- II. Vision and Mission
- III. Stakeholders
- IV. Acquisition Strategy
- V. Organizational Structure
- VI. Strategic Leadership
- VII. Strategic Entrepreneurship

Nestlé faces a period of strategic and operational consolidation and a continued transformation into the world's preeminent nutrition, health and wellness company. At the same time, Nestlé needs to maintain its strong growth momentum in the developing and emerging world. Your conversation with Bulcke should prepare him for leading the company in the years ahead.

#### Case 27: Vodafone

Your report and overview should address the following key strategic issues:

1. Establish criteria for judging strategic performance by considering successes and strategies. Use a Balanced Scorecard framework to make sure that both financial and strategic controls are used to assess performance.
2. Define the company's core competencies.
3. Determine if the company has a sustainable competitive advantage. If you determine that a sustainable advantage exists, support your claim. If you find it lacking, recommend actions that would secure a sustainable competitive advantage.
4. Identify any external environmental forces that have future strategic implications for Vodafone.
5. Determine if Vodafone's business strategy provides an integrated and coordinated set of commitments and actions that are based upon the company's core competencies, will guide behavior toward achieving performance goals, and fit existing external environmental conditions.
6. Evaluate Vodafone's acquisition strategy, taking into consideration its integration efforts.
7. Evaluate Vodafone's international strategy and its use of alliances to achieve company objectives.

8. Discuss the company's organizational structure and if it effectively supports Vodafone's strategy.
9. Review the company's vision and Sarin's efforts to promote strategic entrepreneurship throughout the organization. What suggestions can you make to stimulate innovation?

#### Case 29: WD-40

1. What strategic options did your situation analysis reveal in 1999?
2. Looking at recent information released to WD-40 Company shareholders and considering the company's current situation, summarize the strategic direction you decided to pursue.
3. Compare recent performance results to those recorded in 1999.
4. Based on this review, do you think that you selected a successful strategy for WD-40 Company?
5. Do you see any areas of concern or strategic issues that require attention or a shift in direction at this time?

#### GUIDANCE FOR YOUR MAJOR PAPER:

The major paper assignment will permit you to conduct an analysis of \_\_\_\_\_.

Your analysis should include at least:

Careful annotation of any resources used, to include the "as of" date.

Porter's five forces for the industry. Make additional comments as pertinent for your individual firm.

A SWOT analysis for the industry.

Develop a list for S

Develop a list for W

Develop a list for O

Develop a list for T

Provide an analysis that interprets the lists for SWOT.

How and why is the industry changing?

Are ethics and corporate social responsibility a factor for your industry?

Why?

What are the driving forces for your industry?

What is the future of your industry?

The above questions can, possibly, be adequately addressed in about 10 pages.

Possible (and not all inclusive) resources:

- NCLIVE (lots of journals)
- Mergent Online (excellent)
- Mintel Reports (excellent)
- Industry Surveys (excellent, see Mr. Maynard)
- Forbes
- Fortune
- Business Week
- The Wall Street Journal

It is given that your paper will be well written (i.e., proper grammar, correct spelling, reasonable syntax, and proper punctuation are expected). Content will be evaluated and a grade assigned. Spelling will also be graded. The paper should be double-spaced. Two points will be deducted for incomplete sentences, awkward sentences, and misspelled words (yes, every time a word is misspelled is minus two points). One point will be deducted for each incorrect punctuation mark.

There should be a smooth idea between sentences, between paragraphs, and between ideas.

Make sure the verb agrees with the subject.

Some specific trouble-causing words:

- Accept, except
- Advise, advice
- Affect, effect
- Complement, compliment
- Farther, further
- Them, hey, their for a firm (which is an "it.")
- Its, it's
- Manger, manager
- Moral, morale
- Their, there, they're
- To, too, two
- Where, were

Whether, weather  
Whose, who's

The paper is due August 11, 2008.

Please provide me a paper copy AND also provide me a diskette/CD or e-mail version of your paper

Hints:

Consider the following:

The US economy  
The international economy  
Pricing, discounts  
What is the firm's strategy?  
How well has the strategy been executed?  
What should the firm be doing differently?

For this paper, you will gather available information and data about an industry/firm and then analyze and present that information and data. Accordingly, completely and accurately cite your sources. I have a strong preference for APA style; I can live with MLA and CMS. Another hint: I have a copy of the APA, MLA, and CMS manuals in my office.

Honesty is the first chapter in the book of wisdom.

Do not plagiarize. If you have a question about using the words or ideas of another (including other students) or your own ideas or words you have written previously, contact me.

Have FUN; there is no law against learning and having fun.

