Smeal
SCHOOL OF BUSINESS

BA 571 Spring 2007 — Strategic Management

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COURSE OVERVIEW

This course is about strategy and the creation of value. Implicitly or explicitly, every firm must define the scope of its business operations and, within the chosen scope, how the firm will compete against rivals. Decisions about the scope of business constitute the firm's corporate strategy; decisions about how to compete within chosen market segments reflect the firm's business-level strategy.

The course is also about top management and the total organization. As such, it is an integrative course emphasizing a "general management" or total organizational perspective as opposed to a functional viewpoint (accounting, finance, marketing, etc.). A general management perspective is necessary because the formulation and implementation of effective strategies requires a precise understanding of the interrelationships among the different functions of the organization and the relationships of these functions to the business environment.

COURSE OBJECTIVES

The course extends students' existing background and awareness of the problems involved managing an organization by providing readings, analytical tools and case discussion of strategic management issues. As a result of this course, students will be able to:

- Identify and understand the strategies of different organizations.
- Interpret the competitive environment facing any given organization, which may present opportunities and threats for the organization.
- Evaluate the likely effectiveness of an organization's strategy for creating value and increasing competitiveness.

In addition, the course is designed to help develop students' capabilities in areas deemed critical to their future success as managers and leaders. These capabilities include written and verbal communication skills, teamwork, analytical thinking, decision-making skills, project planning, and management.

COURSE FORMAT

This is not a traditional lecture-based course. The course will consist primarily of participant-centered case discussions and some short lectures. Each session we will discuss a case in some depth as a class, trying to understand the issues that organizations and their managers face. Your classmates and I expect you to attend and be well prepared for each class, having read the required conceptual material and analyzed the assigned case study ahead of time. We also expect you to play an active role in class discussion. If all class members prepare for and actively participate in each class discussion, we will all learn more from each other and enjoy the course more. Short, occasional, lectures will supplement the cases by suggesting different frameworks and tools that may be useful in addressing the issues illustrated in the cases.

COURSE MATERIALS

A course packet, available through Pro Copy, will provide the cases and readings for this course.

Some additional readings may be handed out to supplement these materials.

PERFORMANCE EVALUATION

25%	Individual Contribution to Class Discussion (See Appendix B for details)
25%	Team Assignment 1: Group Case Analysis of Benetton (See Appendix C for details)
5%	Team Assignment 2: Strategic Alliance Pro/Con Presentation
15%	Team Assignment 3: Group Current Event Presentation (See Appendix D for details)
2.5%	Individual Assignment 1: Strategy Diamond for Rocky Mountain Adventures
2.5%	Individual Assignment 2: Creating New Market Space Model for Apple
25%	Individual Assignment 3: Case Analysis of GEMS (See Appendix E for details)

Groups will consist of the teams you have been assigned to by the MBA program. ***It is expected*** that all group members will contribute to each assignment, and all members will receive the same grade. Peer evaluations may be administered at the conclusion of the course if a majority of team members request it, however, and adjustments will be made to grades on the basis of these evaluations if warranted.

ATTENDANCE & ASSIGNMENTS

Attendance at all class sessions is expected. Because learning in this course occurs primarily through interactions with other participants during class, every effort should be made to attend each class. There is no substitute for being present, prepared, and participating in the class discussion. While I recognize that from time to time absences may be unavoidable, and tradeoffs need to be made, absences necessarily limit your class contribution - and hence can influence your grade. Since we only meet 13 times, multiple absences mean you will have missed a significant portion of the course. Please let me know in advance if you will be missing a class. If you do miss class, it will be your responsibility to get notes, find out what was discussed, etc. from one of your classmates.

Assignments must be turned in by the beginning of class on the specified due date. Late papers will not be accepted.

Other Administrative Details

Faculty members tend to have somewhat different expectations as to class behavior and course norms; I'd like to outline a few of my expectations concerning such matters.

1. I will be happy to discuss the course, your progress, or any other issues of interest to you on an individual basis. Please see me in class or email to set up an appointment.
2. Since I frequently call on individuals whose hands are not raised, you should let me know before the start of the class if some emergency has made it impossible for you to be prepared adequately for that class. This still affects your day's grade (by limiting your ability to contribute), but prevents embarrassment for us both.
3. Please be forewarned of my two **biggest pet peeves**. First, while in my class, please **do not read other material. This includes surfing the web, answering email and IMing**.

Engaging in these activities is rude to both me and your colleagues. If for some reason you feel that you must engage in these activities during our class time, excuse yourself from class and do it elsewhere. Second, **turn off your cell phones** before class begins. There is no call or text message you will receive that is urgent enough to disrupt our class. Again, it is rude and shows a lack of consideration for me and your fellow students.

ACADEMIC INTEGRITY

According to the Penn State Principles and University Code of Conduct:
Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. According to the University's Code of Conduct, you must neither engage in nor tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used in another course without informing the instructor, or tampering with the academic work of other students.

Any violation of academic integrity will be investigated, and where warranted, punitive action will be taken. For <u>every</u> incident when a penalty of any kind is assessed, a report must be filed, using the *pdf* form at this URL: https://intranet.smeal.psu.edu/smeal/integrity/index.html This form is used for both undergraduate and graduate courses. This report must be signed by both the instructor and the student, and then submitted to the Associate Dean for Undergraduate Programs in 104 Beam Building.

In this course I encourage you to work with others when preparing for class discussions. However, written case analyses must ultimately represent your own work, in your own words (or your group's work, in the group's words). Therefore, do not share written or electronic notes, outlines, or "key points" across groups when preparing written analyses, because papers that are judged to be substantially similar in content must be submitted to the university committee for academic integrity.

ACADEMIC INTEGRITY PLEDGE

Please include the following statement on all written work you hand in:

I/We ________ affirm that I/We have neither given, utilized, received, nor witnessed unauthorized aid on this deliverable and have completed this work honestly and according to the professor's guidelines.

AFFIRMATIVE ACTION AND SEXUAL HARASSMENT

The Pennsylvania State University is committed to a policy where all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status. Direct all inquiries to the Affirmative Action Office, 328 Boucke Building.

AMERICANS WITH DISABILITIES ACT

The Smeal College of Business Administration welcomes persons with disabilities to all of its classes, programs, and events. If you need accommodations, or have questions about access to buildings where Smeal College activities are held, please contact us in advance of your participation or visit. If you need assistance during a class, program, or event, please contact the member of our staff or faculty in charge. Access to Management and Organization courses should be arranged by contacting the Management and Organization Office: (814) 865-1789.

AN INVITATION TO STUDENTS WITH LEARNING DISABILITIES

It is Penn State's policy to not discriminate against qualified students with documented disabilities in its educational programs. If you have a disability-related need for modifications in your testing or learning situation, your instructor should be notified during the first week of classes so that your needs can be accommodated. You will be asked to present documentation from the Office of Disability Services (located in 116 Boucke Building; (814) 863-1807) that describes the nature of your disability and the recommended remedy. You may refer to the Nondiscrimination Policy in the *Student Guide to University Policies and Rules.*

CLASS SCHEDULE

Week	Date	Topic	Reading Material
1	19 Mar 21 Mar	Introduction What is Strategy? **Individual Assignment 1**	**Case:** Alaska Gold Mine (distributed in class) **Case:** Rocky Mountain Adventures, Inc. **Readings:** *Hambrick and Fredrickson*, "Are you sure you have a strategy?" *Porter*, "What is strategy?"
2	26 Mar 28 Mar	Industry and Competitor Analysis	**Case**: Cola Wars Continue: Coke and Pepsi in the Twenty-First Century **Readings: Readings:** *Marcus,* Chapters 2 & 4, selections *Brandenburger and Nalebuff*, "The right game: Use game theory to shape strategy"
3	2 Apr 4 Apr	Sustaining Competitive Advantage: Core Competence Generic Business Strategies and Competitive Advantage **Team Assignment 1: Group Case Analysis**	**Case:** Nucor at a crossroads **Readings:** *Marcus,* Chapter 3 *Collis and Montgomery*, "Competing on resources: Strategy in the 1990s" *Coyne, Hall, and Clifford*, "Is your core competence a mirage?" **Case**: Benetton **Readings:** *Marcus,* Chapter 4, selections
4	9 Apr 11 Apr	Innovation and Creating New Market Space **Individual Assignment 2** Making Commitments Under Uncertainty	**Cases:** Apple 2006 **Readings:** Kim & Mauborgne "Creating New Market Space" *Eisenhardt, "*Has strategy changed?" **Case**: Investing in the Russian Oil Industry **Readings:** *Courtney, Kirkland and Viguerie,* "Strategy Under Uncertainty"
5	16 Apr 18 Apr	Strategic Alliances **Team Assignment 2** Growth Through Acquisitions	**Case**: Millennium Pharmaceuticals **Readings**: Dyer & Singh, "How to Make Strategic Alliances Work Bleeke & Ernst, "Is Your Alliance Really a Sale?" **Cases:** Cisco Systems & U.S. Office Products **Readings:** *Economist*, "Making Mergers Work" *Lubatkin & Lane*, "Psst…The Merger Mavens Still Have it Wrong"
6	23 Apr	**Team Assignment 3: Current**	

	25 Apr	**Event Presentations** **Team Assignment 3: Current Event Presentations**	
7	30 Apr	The Dynamics of Strategic Management in a Global Environment **Individual Assignment 3: Individual Case Analysis**	**Case:** GE Medical Systems, 2002

Detailed Course Calendar and Assignments

WEEK 1

Session 1 - Introduction

Case: Alaska Gold Mine (Distributed in Class)

Session 2 - What is Strategy

Case: Rocky Mountain Adventures

Readings: Porter, "What is strategy?"
Hambrick & Fredrickson, "Are you sure you have a strategy?"

This case discusses the strategic issues and choices facing a small outdoor adventure outfitter in Colorado. We will use this case to frame the issues faced in the strategy formulation process.

Preparation Questions

- What are the key characteristics of the outdoor recreation industry? Given these characteristics, would you expect it to be a profitable industry or not?
- Given this industry environment, what sort of strategies would you expect to be most successful? Least successful? Why?
- Use Hambrick and Fredrickson's "Five Major Elements of Strategy" to identify Rocky Mountain Adventures' current strategy. Has this strategy been effective to date? Is it likely to remain effective going forward?

Individual Assignment 1

Use Hambrick and Fredrickson's "Five Major Elements of Strategy" model (AKA the Strategy Diamond) to specify a new strategy for Rocky Mountain Adventures to follow. The figure is available on Angel as part of this session's powerpoint presentation. Use this figure to complete a strategy diamond for Rocky Mountain adventures. In a one page (maximum) accompanying summary (single-spaced, 12 point times roman font, one inch margins) explain why you chose this strategy, and why you dismissed other possible strategies. Hand in copies of both your power point figure and your recommendations and rationale.

WEEK 2

Sessions 3 & 4 - Industry and Competitor Analysis

Case: The Cola Wars Continue: Coke vs. Pepsi in the 21st Century

Readings: Marcus, Chapter 2 pages 22-28, Chapter 4 pages 68-77
Brandenburger & Nalebuff, "The right game: Use game theory to shape strategy"

This case recounts the history of the soft drink industry and focuses on the two main actors whose competitive interactions have defined and shaped the industry, Coke and Pepsi. We will use this case to apply different tools useful in analyzing the industry environment, and also discuss in detail the competitive actions and responses of Coke and Pepsi.

<u>Preparation Questions</u>

- Why is it that concentrate producers have been so profitable?
- Compare the economics of the soft drink business to those of the bottling business. Why is the profitability so different?
- How have general environmental conditions shaped this industry over time?
- How would you characterize the concentrate industry using Porter's Five Forces? The Value Net?
- How has the competition between Coke and Pepsi impacted the industry's profits?
- Can Coke and Pepsi sustain their profits in the wake of flattening demand and the increasing popularity of non-carbonated drinks?

WEEK 3

Session 5 - Sustaining Competitive Advantage: Core Competence

Case: Nucor

Readings: Marcus, Chapter 3 pages 52-55
Collis and Montgomery, “Competing on resources: Strategy in the 1990s”
Coyne, Hall, and Clifford, “Is your core competence a mirage?”

This case traces the history and development of Nucor Steel, a mini-mill steel company that has become one of the leading steel producers in the United States. We will use this case to apply our analytic tools and determine if and what Nucor's core competence is. We will also explore which, if either, of the new thin slab casting technologies Nucor should pursue.

Preparation Questions

- Why has Nucor performed so well in the past?
- How attractive do the economics of thin-slab casting look?
- Is thin-slab casting likely to provide Nucor a sustainable competitive advantage in flat-rolled products?
- What uncertainties does Nucor face in making its thin-slab casting investment decision? How do these uncertainties affect your evaluation of this investment opportunity?
- What recommendations would you give to Ken Iverson?

Session 6 - Generic Business Strategies

Case: Benetton

Readings: Marcus, Chapter 4 pages 78-89

Benetton is a highly successful Italian clothing manufacturer that was founded, and is still majority controlled by the Benetton family. This case offers the opportunity to explore how value creating activities associated with low cost and differentiation strategies are employed in a highly competitive global industry.

<u>Preparation Questions</u>

- Describe Benetton's business model. Which elements of the industry value chain has it chosen to participate in, and which has it avoided? Why has it made these choices?
- Given these choices, how does Benetton make money? What are its sources of competitive advantage?
- Are these sources of advantage sustainable? What challenges does Benetton face in maintaining its historic profitability?
- Which of the two strategic options described in the case (Building production in China and revamping its agent system in the U.S.), if either, would you recommend that Luciano Benetton support? Explain with strategic rationale and financial support.
- What are the most important elements of an action plan for implementing this recommendation?

<u>Team Assignment 1: Group Case Analysis Due</u>

In this assignment you will answer two questions: 1) Whether Benetton should build a production facility in China, and if so, how big?; and 2) Should Benetton replace its agent system in the U.S., and if so, with what? You will use the data in the case to conduct "back of the envelope" analyses to provide quantitative support for your recommendations. See Appendix C for a more detailed discussion of the analysis and grading criteria.

WEEK 4

Session 7 Innovation and Creating New Market Space

Cases: Apple 2006

Readings: Kim & Mauborgne "Creating New Market Space"
Eisenhardt, “Has strategy changed?”

This case traces the history of Apple computer and the PC industry. It highlights the issues and experiences of a company that is known for and competes based upon innovation in a highly competitive and rapidly changing industry environment. In particular, we will consider the ways Apple creates value and destroys value, how it has created new market spaces, and how changes in the industry environment have influenced Apple's ability to compete on innovation.

<u>Preparation Questions</u>

- Historically, what have been Apple's sources of competitive advantage? Did Apple have a core competence? Does it have one in 2006? If it had one but lost it, how was it lost? If Apple does not currently have a core competence, does it have the potential to develop one, and if so, what would it be? If Apple does currently have a core competence, what does Apple need to do to sustain it?
- How has the structure of the personal computer industry changed over the past 20 years? How have these changes impacted Apple's ability to create and capture value in the industry?
- Has Jobs finally solved Apple's long-standing problems? Is the ipod different?

<u>Individual Assignment 2</u>

Use the creating new market space model provided in the Kim & Mauborgne article to analyze how Apple created a new market space for either the Macintosh computer when it was first launched in 1984 or the iPod. You only need to do one product, your choice. This figure is available on Angel as part of the powerpoint presentation for this session. Hand in a copy of your completed model.

Session 8 Making Commitments under Uncertainty

Case: White Nights and Polar Lights: Investing in the Russian Oil Industry

Readings: Courtney, Kirkland and Viguerie, “Strategy under uncertainty”

This case describes the situation in Russia's oil industry during the early years of liberalization. It follows the activities of three Western oil firms (Phibro, Mobil and Conoco), and depicts the various strategies each adopted in managing uncertainty while pursuing Russia's vast reserves of oil an gas.

<u>Preparation Questions</u>

- How important is Russian oil to a Western oil firm? How would you value its worth?
- Evaluate the strategies undertaken by Phibro, Mobil and Conoco? Why did they choose this strategy? Which one do you think made the wisest move? Why?
- How might Western oil companies hedge or protect their investments in the Russian oil sector?

WEEK 5

Session 9 Strategic Alliances

Case: Millennium Pharmaceuticals

Readings: Dyer & Singh, "How to Make Strategic Alliances Work"
Bleeke & Ernst, "Is Your Alliance Really a Sale?"

Millennium Pharmaceuticals, a leading biotechnology firm, has pharmaceutical and technology alliances with large firms, including Bayer AG, Monsanto, and Eli Lilly & Company. Central to its strategy and success in forming alliances is a technology platform for experimentation in drug discovery, considered to be one of the finest in the industry. At the same time, Millennium is using the technology platform to fundamentally rethink how it can discover new drugs and eventually become an integrated pharmaceutical company. This dual strategy – developing and selling its technology platform through alliances and leveraging these alliances to build downstream drug development capabilities – is being challenged in August 1999, when the European agribusiness conglomerate Lundberg is proposing a technology alliance to Millennium's senior management.

Preparation Questions

- How has the biotechnology industry changed over the last few years?
- How has Millennium competed since it was founded in 1993? How has it managed its rapid growth?
- Using the strategy diamond, how would you characterize Millennium's strategy? How would you describe the way Millennium brings together technology, strategy, organization, and culture?
- What has been Millennium's alliance strategy? How has it differed from other biotechnology firms? How and why is Millennium able to do this?
- As CEO Marc Levin, would you pursue the Lundberg alliance? Why or why not? Come to class prepared to (1) make a case for or against the Lundberg alliance and (2) the terms under which you would find such an alliance acceptable (these are not always the same things).

Team Assignment 2

Your team will be assigned to one of two groups: 1) Proponents of the Lundberg alliance, or 2) Opponents of the Lundberg alliance. Each group will prepare a five-slide PowerPoint presentation that summarizes their case for or against the Lundberg alliance. In class two groups will be selected to be the decision makers about the alliance. The remaining pro and con teams will get together and put together their "best five slide" presentation for the decision makers. The decision makers will then caucus with each other, vote on what to do, and present the rationale behind their decision. Each team should hand in a copy of their pro or con presentation that they prepared before class.

Session 10 Growth through Acquisitions

Cases: Cisco Systems

Readings: Economist, "Making Mergers Work"
Lubatkin & Lane, "Psst…The Merger Mavens Still Have it Wrong"

While Cisco Systems is not the high-flyer it once was, it acquisition integration approach is still heralded as one of the most sophisticated and successful. We will use this case to explore how acquisitions can be used as an effective part of a firm's strategy.

<u>Preparation Questions</u>

- What is Cisco acquiring when it buys a company in general? What would it be buying with Summa Four in particular?
- Under what conditions does this appear to be an appropriate approach to acquisitions? Under what conditions might it not be desirable? What aspects of Cisco's the acquisition integration strategy would appear to apply to all acquisitions?

WEEK 6

Session 11

Team Assignment 3: CURRENT EVENT PRESENTATIONS

Session 12

Team Assignment 3: CURRENT EVENT PRESENTATIONS

WEEK 7

Session 13 - Final Case Analysis

Case: General Electric Medical Systems, 2002

This case considers GE Medical Systems (GEMS), one of GE's flagship divisions, as it faces massive technological and demographic changes around the world. GEMS must decide if, and how, it should change its business model as it pursues opportunities and attempts to remain on the technological frontier.

Preparation Questions

- How does GEMS create value? Does it have a core competence? If so, why? If not, why not?
- What are the key general environmental trends GEMS faces? How will they influence GEMS's competitive environment? It's value creating activities?
- Should the Global Product Market model be altered to suit the needs of the medical diagnostics market in China? If so, why? If not, why not, and what, if anything, should it do instead?
- Should GEMS be pursing genomics and/or healthcare-IT opportunities in addition to, or instead of, the China opportunity?

Individual Assignment 3: Individual Case Analysis

For this assignment you will prepare a two page analysis, with accompanying figures, which addresses the preparation questions above. I will be looking at how you apply the concepts and tools we covered during the first five weeks when analyzing this case and providing a supporting a set of recommendations for GEMS regarding the strategic options it faces. See Appendix E for more details about the format of the assignment.

APPENDIX A: ANALYZING CASES AND PREPARING FOR CLASS DISCUSSIONS

Each case typically focuses on a defining moment in a firm's history. The case contains all the information about the firm and industry you will need to perform an analysis of the situation and develop specific recommendations. While it is tempting to try and figure out "what happened," and the Internet makes this continually easier, this is typically a waste of time and a distraction from the development of your own strategic thinking. Cases are necessarily a simplification of the real situation, and at times actual courses of action are taken for reasons not apparent from the case or are impacted by subsequent events. Also, at times people make poor decisions. It is expected that you will work purely from the data in the case and not be blinded by what transpired after the close of the case.

Your learning from the cases will derive both from your preparation and from your participation in the class discussion. It is important that outside information not be introduced prematurely in a class discussion, as it could undermine the learning experience for some students. If you are particularly familiar with a firm or industry and would like to comment on the case from that perspective, please let me know prior to class. I find that a student's experience can provide valuable insight in further understanding a case, but that this information must be introduced at an appropriate point in the discussion to maximize the learning of all individuals in the class.

In preparing for class, it is recommended that you read each case at least three times. The first reading should be a quick skimming of the text of the case. It should give you a feeling for what the case is about and the types of data contained in the case. Your second reading should focus on better understanding the business and the situation, and should involve careful analysis of the case exhibits. As you work through the second reading, you should begin to develop some fairly clear perspectives on your analysis and recommendations for the case. By your third reading you should have a good idea about the fundamentals of the case. Now you will be searching for additional specific confirmatory or contradictory information. You will need to get at the root causes of problems and gather data from the case that will allow you to make specific, actionable recommendations. Before the third reading, be sure to review the recommended assignment questions (Appendix B) that have been prepared to help guide your analysis.

Each week you will be assigned conceptual readings that provide frameworks, tools and ideas that will help you understand, analyze and communicate the case issues. However, these readings certainly will not provide "perfect insight" into the case issues. Thus when reading and analyzing the assigned cases, you should be prepared to draw on ideas and frameworks from any source, and should not confine yourself to just one idea. You are encouraged to draw upon other sources of information with which you are familiar: books, material from other courses, articles, research reports, your employer's processes and models, and your personal experience. In addition, you are encouraged to discuss the cases (other than the final case) with your classmates, especially those in your work groups. Your classmates' experiences and perspectives will undoubtedly be useful to you as you analyze the case and prepare for our class discussion. Keep in mind, however, that your written case analyses must represent your own work in your own words (or your group's work in the group's words). (See Appendices D and E for more details on the requirements for each written case analysis.)

In a typical class case discussion, one or more students will be asked to start the class by answering a specific question or series of questions posed by the instructor. Anyone who has thoroughly prepared the case should be able to handle this lead-off assignment. The discussion will then be opened up to the rest of the class. Each person is expected to be prepared to share his or her views on the case. Since individuals whose hands are not raised may be called upon at any time, you should let the instructor know prior to the start of class if you are not prepared to participate in that session's case discussion.

While analyses and recommendations are important elements of case discussions, so, too, are probing questions. If someone says something that you do not understand, raise your hand and question that person directly. The purpose of a case discussion is not to come up with the "correct" answer (there rarely is such a thing), but to learn from each other the best way to analyze situations. When someone in the class makes a recommendation that you do not agree with, try to understand why they have come to that conclusion, rather than merely attacking the "correctness" of their conclusions. *The objective of using the case method will have been attained if individuals have a well-formulated position regarding what they would do* **AND** *understand why other individuals would undertake a different course of action*.

APPENDIX B: PERFORMANCE EVALUATION - CONTRIBUTION TO CLASS DISCUSSION

Managers must often "sell" their ideas to others in order to get their acceptance and support. In this course, the classroom provides a laboratory in which you can test your ability to convince your peers of the appropriateness of your approach to complex management problems. Furthermore, it tests your ability to carefully listen to others' perspectives and understand why they may reach a different conclusion. Before you can effectively sell your ideas to others, you must understand what is motivating them, what issues they feel are important, and what assumptions they are making that may be different from your own.

When evaluating your contribution to the class discussion, then, I will consider how effectively you put forth your own arguments, as well as how well you listen to, understand, and build upon (or refute) the arguments of others. In all cases, I will look for high quality (which is frequently not the same as high quantity) arguments, analyses and questions that improve the class' collective understanding of the case issues. While I encourage you to speak up at any time, keep in mind that comments that are redundant, tangential or seemingly irrelevant to the case discussion at hand will have a negative impact on your class discussion grade. I will use the following criteria when determining class contribution grades:

- Has the student attended and made significant contributions to each class discussion?
- Does the student show evidence of careful case analysis by using facts and evidence from the case?
- Does the student draw valid conclusions from the facts presented in the case? (Conclusions are statements about cause and effect relationships, and assessments of the overall impact of these relationships on the firm's performance.)
- Does the student contribute interesting examples? Does the student make effective comparisons among different cases situations, as well as between case situations and real life cases?
- Do the ideas suggested by the student push us to consider an aspect of the case that is not necessarily obvious at the outset? Do they go beyond the surface and get into core issues?
- Is the student is an active listener? Do his/her comments fit in with the flow of the class discussion? Do his/her comments demonstrate listening to and reflection on points suggested by others? Does the student interact with, challenge, question, and extend comments of other participants, or are all comments directed towards the instructor?
- Does the student engage in constructive debate that challenges the opinions expressed by others without diminishing the value of their contribution?

APPENDIX C: PERFORMANCE EVALUATION - GROUP CASE ANALYSIS OF BENETTON

The Benetton group case analysis is limited to **2 pages, single-spaced, 12 point Times Roman text, with 1'' margins all around**. Use major headings and sub-headings to make the format of your analysis apparent. You can use up to 5 additional pages of exhibits, provided that the exhibits support the arguments in the text, are explicitly referenced in the text, and there is a clear title or explanation on each exhibit page describing what the exhibit illustrates. Please use plain, stapled white paper for all analyses with a cover sheet that includes the name of the case, your class section, and the names of the team members. No binders or other paper "packaging" materials should be used. The title page does not count against your two pages or the exhibit limit.

Your group is to analyze the situation presented and prepare a recommended course of action. The "Preparation Questions" provided earlier have are intended to help guide you toward the issues that your analysis should address, but these questions should not be directly answered 1, 2, 3, 4, etc., in your case write-up. Rather the write-up should be a smoothly flowing essay that coherently, concisely, and convincingly presents your analysis and recommendations. Your group should focus its write-up on "What should Benetton do now, and why?" The case analysis should demonstrate that you have evaluated multiple courses of action and believe that the one recommended makes the most sense.

The next page provides a copy of the template that will be used in grading - it should help you to understand what will be evaluated. Note, however, that different items may be more or less important depending on the issues and types of analyses necessary. Thus, all items are not weighted equally.

While there is no one right way to write up a case, there are several common errors to avoid:

- *Focusing on minor issues* on which there is little data. Let the case facts and questions guide you to the selection of issues. If there is little or no data on an issue, you can identify it as being potentially important, but do not dwell on it in the analysis.
- *Rehashing the case*. Someone has already written the case, and the instructor has certainly read it. Do not summarize the case; begin by stating the key issues. Present facts from the case to support your line of reasoning.
- *Drawing conclusions without providing the data to back them up*. Don't make unsupported statements or draw conclusions that the available data does not, or cannot support.
- *Drawing generic conclusions.* For example, all companies need to be profitable and to satisfy their customers. For each case, show clearly what this particular company needs to do so that it resolves the issues specific to its competitive situation, available resources, management objectives, etc.
- *Non-critical evaluation of case data*. Before using a "fact" presented in the case, ask if it was collected in a sound manner, is unbiased, and directly relevant to the issue. Qualify conclusions reached by considering the quality of the data on which conclusions are based.
- *Failure to provide a rationale for eliminating alternatives not selected*. It is important to show that the recommended course of action is likely to deal effectively with the problems identified. It is equally important to provide a rationale for dismissing other alternatives as less effective or desirable.
- *Failure to present analytical work in an understandable manner*. When doing computations, be sure that you present the step-by-step analysis you conducted, including data sources and the formulas you used. This kind of information should be presented as exhibits.
- *Fuzzy recommendations*. Avoid making recommendations that lack clarity, are impractical, are not integrated into the analysis, fail to address a key issue in the case, or fail to recognize the importance of short and long-term timing issues.
- *Incomplete analyses*. Incorrect computations, improper use of data, making inappropriate assumptions; or failure to draw on theories and techniques presented in this course.

Before turning in your case analysis, carefully proof-read it and run it through a grammar and spell checker. Sloppiness in writing style, spelling, grammar, and presentation reflects poorly on your work and decreases your ability to effectively communicate. A paper that is poorly structured; contains numerous grammatical and spelling errors; and/or fails to articulately present the analysis and recommendations, can receiving a failing grade (even if the content is fairly complete). The analysis and recommendations should be professional and illustrate your best possible effort and abilities.

Without exception, group case analyses must be turned in by the beginning of class on the specified due date. Late papers will not be accepted.

GRADING CRITERIA FOR CASE ANALYSIS

<u>ANALYSIS</u> (Understanding the issues that the firms and individuals in the case are facing)

		Poor	Average	Great
1.	Does the paper contain analyses of the major issues?			
2.	Do the analyses properly incorporate the relevant tools?			
3.	Do the analyses show the relationships among issues?			
4.	Are assumptions made in the analyses stated explicitly?			
5.	Do the analyses isolate the underlying causes of problems?			

<u>RECOMMENDATIONS</u> (Developing and evaluating alternative courses of action)

		Poor	Average	Great
1.	Are the criteria for making recommendations stated?			
2.	Are the criteria for making recommendations appropriate?			
3.	Are a broad range of feasible options thoughtfully considered?			
4.	Are the recommendations clearly articulated?			
5.	Is the action plan integrated in a logical way to the analysis?			
6.	Is the action plan specific, complete, and feasible?			
7.	Are timing (short term, long term, phasing) issues addressed?			
8.	Are the expected benefits of the recommendations stated?			

<u>OVERALL CRITERIA</u> (Presenting ideas in a coherent, articulate and professional manner)

		Poor	Average	Great
1.	Are the analyses in the exhibits (if any) done correctly?			
2.	Do the exhibits (if any) support and add to key points in the text?			
3.	Is the paper logically consistent and effectively structured so that it sells its recommendations?			
4.	Is there a high likelihood that the recommendations will achieve their desired results?			
5.	Do the choices of words, spelling, grammar, and other elements of style contribute to the effectiveness of the analyses and recommendations?			

APPENDIX D: GROUP CURRENT EVENTS PRESENTATION

This assignment is intended to develop and test your ability to recognize issues of 'strategy' that are present in the business press and apply what we learn in BA 571. The assignment is also specifically designed to bring current news into the course. It requires students to apply and explore the frameworks, concepts and ideas raised in the formal readings and case discussions to the current 'real world'.

Each team will identify a recent news article that meet the following set of requirements: (1) the article must have been first in press within four weeks prior to the article due date (April 18) (2) the article must be new news - not a re-hash of previous news, (3) the article must center on a specific company or organization and (4) the article must relate to at least **two** of the general topics discussed during the first five weeks of the course (e.g., industry analysis, competitive strategies, value creation and core competence, low cost and differentiation business strategies, innovation and creating new market space, growth through acquisitions, strategy under uncertainty and strategic alliances). Teams within a section will not be allowed to do the same article. Approval will be given to articles on a first come, first serve basis, so don't wait to the last minute to get approval for your article.

Each group will make a twelve (12) minute presentation that:

1. Quickly describes the company and the situation presented in the article
2. Explains how the company's situation is related to (or is an example of) what we've covered in class
3. Analyzes the situation (using additional information e.g. financials, competition, etc. not necessarily included in the article) and
4. Makes a recommendation as to what the company should do and why (i.e., How will it help performance?).

The presentation will be followed by 8 minutes of Q&A with the class regarding the analysis and recommendations. Presentations should be professional (clear, concise, based on fact, with references) but students are encouraged to have fun with this. Think of it as an opportunity to practice your communication and analytical skills in a very friendly environment. And, you don't have to dress up!
Some Specifics/ Details to note:

a) The order of presentations will be determined and posted on Angel by the monday of the third week of class.

b) The length of the presentation and Q&A will be strictly monitored and maintained. No additional time will be allowed. If you run over-time on your presentation it will negatively affect your grade.

c) All members of your group should help prepare the presentation and participate in the presentation.

d) You will be expected to provide qualitative and quantitative data to support your analysis and recommendations as part of the presentation.

e) Deliverables: <u>The **article** of choice must be emailed to me **no later than Wednesday, April 18** so that I can post it on Angel. Article approvals can be requested any time, but all articles must be approved by **April 16**.</u>

f) <u>On the day of your presentation each team is required to hand in a paper copy of the **presentation slides and a full list of references** (all sources of information).</u>

g) The criteria used to evaluate the presentation will be similar to those used to evaluate your case analyses.

APPENDIX E: PERFORMANCE EVALUATION - INDIVIDUAL CASE ANALYSIS OF GEMS

The GEMS case analysis is limited to **2 pages, single-spaced, 12 point Times Roman text, with 1'' margins all around**. Use major headings and sub-headings to make the format of your analysis apparent. The “Preparation Questions” have been developed to help guide you toward the issues that your analysis should address, but these questions should not be directly answered 1, 2, 3, 4, etc., in your case write-up. Rather the write-up should be a smoothly flowing essay that coherently, concisely, and convincingly presents your analysis and recommendations. The case analysis should demonstrate that you have evaluated multiple courses of action and believe that your recommended actions make the most sense. You can use up to 3 additional pages to provide exhibits, provided that the exhibits support the arguments in the text, are explicitly referenced in the text, and there is a clear title or explanation on each exhibit page describing what the exhibit illustrates. Please use plain, stapled white paper for all analyses with a cover sheet that includes the name of the case, your name, and your class section. No binders or other paper “packaging” materials should be used. The title page does not count against your two pages or the exhibit limit.

Without exception, your case analysis must be turned in by the beginning of our last class. Late papers will not be accepted.