Course Overview and Objectives

This course is concerned with the formulation and analysis of business strategy. Business strategy is the set of objectives and policies that collectively determine how a business positions itself to increase its returns and create economic value for its owners and stakeholders. Strategy is concerned with answering two central questions: “What businesses should we participate in?” and “How should we compete?” In this course, you will learn analytical techniques for diagnosing the competitive position of a business, evaluating business strategies, and identifying and analyzing specific business options. These concepts and frameworks will help you to learn to put structure on complex and unstructured problems in business strategy, in order to provide a solid foundation for managerial decision making.

Student Responsibilities

For the class to work well, and for you to benefit from it to the greatest possible extent, preparation for each class meeting is essential. All students are expected to arrive at class prepared to discuss the readings and case assigned for that day. Discussions of the readings and cases will rely heavily on cold calls.

Course Materials

All of the materials for the course are contained in the course packet. If you wish to purchase an additional textbook on your own, the syllabus contains readings from the following three textbooks:


Grading

The graded components of the course are as follows:

- Individual Final Exam 40%
- Group Project 30%
- Class Participation 30%

Final Exam:

This will be a timed take-home exam during the scheduled final exam period. The exam will cover the entire course and require you to demonstrate your mastery of the analytical tools and frameworks covered in this course.

Group Project:

The group project is designed to help you learn to apply the tools and concepts covered in this course to a strategic situation that interests you. The project may analyze an industry, a firm or set of firms, a particular strategic initiative undertaken by a firm (such as a merger or alliance) or a particular strategic situation faced by a firm or industry (such as that created by a change in market demand or technology). The project consists of a term paper plus an in-class presentation. A detailed handout explaining the projects will be discussed during the first class session. For the project, the following assignments are due:

- Thursday January 29: Project proposal due (1 page, single spaced)
- Wednesday Feb. 26 and Thursday Feb. 27: Presentations in class
- Monday March 1: Project paper due

Class Participation:

Informed and engaged participation is an essential part of this class and is expected of everyone. Learning opportunities are maximized when you are actively engaged in the class discussion. Active engagement means that you are listening carefully to the comments of your peers and seeking opportunities to make comments that move the class discussion forward. Comments that reflect professionalism and respect for others are important elements of class participation. Some of the key characteristics of valuable class participation are as follows:

**Relevance:** Are your comments clearly related to the case and to the comments of others? Does your comment stick to a subject or does it wander?

**Advancement:** Does your comment move the class discussion forward? Does it take the discussion farther and deeper than the previous comments or does it reiterate past comments?
Fact-based: Have you used specific facts from the case and the readings to support your analysis? Do the facts clearly support your analysis or do they leave open other interpretations?
Logical: Is your reasoning consistent and logical or are there gaps in your logic? Do you use concepts from the readings and lectures correctly?

Lack of preparation will result in a zero grade for class participation that day. If for some reason you are not prepared for a particular class session, let me know before class. If you “wing it” during class without adequate preparation, this will result in a substantial penalty to your class participation grade.

Attendance Policy

Class discussion only works well if you are in class and actively participating. You are expected to attend every class, unless you have an excused absence due to illness or an emergency. It is your responsibility to notify me if either occurs. Missing a class for any other reason will result in a zero grade for class participation for that day. It is Tuck School policy that missing a class for an interview is not an excused absence. It is your responsibility to work with recruiters and career services to minimize these kinds of disruptions. If you must miss a class session for an interview, it is your responsibility to notify me by e-mail in advance of class indicating the name of the firm and the reason for the absence. This includes the Visiting Executive sessions, for which attendance is mandatory. If the session that you will miss has class preparation questions, you must submit answers to these questions to me in advance of class (in addition to any assignments). Failure to send me your answers to the class preparation questions prior to class time will result in a substantial penalty to your class participation grade.

Office Hours

My office hours are Monday, 3 to 5 pm. You can also make an appointment to meet with me at another time by contacting me directly via email, phone, or at the end of class. In an emergency, you may call me at home (603-643-4117).

Tuck Honor Code

The Honor Code applies to this course. The following statements define its role in this course:

- You should rely only on material listed in the syllabus in preparing for class.
- Do not share insights from the case discussion or class handouts with students from other sections who will attend a later class covering the same material.
• In accordance with Tuck policy, laptops may be used during the class period only for note-taking purposes or under special circumstances that I will indicate during the class session. Unless I explicitly ask you to do so, you may not use the Tuck Intranet or the Internet. Consulting your email during class is strictly prohibited.

Miscellaneous

Students with learning disabilities or other special needs should contact me at the beginning of the course to arrange for any accommodations that may be necessary.

A copy of all PowerPoint slides will be available in the course folder on the Tuck network.
Course Outline

*NB: Class preparation questions for each session will be sent to you a few days before class by email.*

Part I. BUSINESS STRATEGY

Session 1—Wednesday, January 7th

Topics: Introduction to Strategic Analysis, Industry Structure Analysis

Readings:


3. Note on the fencing industry.

Session 2—Thursday, January 8th

Topics: Intra-industry Competition, Generic Strategies, Value Chain Analysis

Readings:


Case: Ducati (HBS #9-701-132)
Session 3—Wednesday, January 14th
Topics: Entry Strategy, Entry Deterrence
Case: The Ready-to-Eat Breakfast Cereal Industry in 1994 (A) (HBS #9-795-191)

Session 4—Thursday January 15th
Topics: Rivalry, Game Theory, Game Trees
Case: (continued) The Ready-to-Eat Breakfast Cereal Industry in 1994 (A) (HBS #9-795-191)

Session 5—Thursday, January 22nd
Topics: Added Value, Value Appropriation, Cooperative Game Theory
Case: De Beers Consolidated Mines Ltd. (A) (HBS #9-391-076)

Session 6—Friday, January 23rd
Topics: Participation Constraint, Hold-up
Reading: Ghemawat, “Threats to the Appropriability of Added Value,” pp. 95-105.
Case: (continued) De Beers Consolidated Mines Ltd. (A) (HBS #9-391-076)
Session 7—Wednesday, January 28th

Topics: Coopetition, The Value Net, Complementors


Case: Power Play (A): Nintendo in 8-bit Video Games (HBS #9-795-102)

Note that there is a special noontime session today as well. See below.

Session 8—Wednesday, January 28th

Visiting Executive: Chris Shea, T ’77, Senior Vice President, General Mills and President, General Mills Foundation

****** Note: All sections meet at NOON in Cook Auditorium******

Session 9—Thursday, January 29th

Note: Project proposals due at the start of class.

Topics: Resource-based Analysis, Isolating Mechanisms, Entrepreneurial Entry

Reading: R. Rumelt, “Towards a Strategic Theory of the Firm.”

Case: The Murrayhill Company (A)

Sue Ellis, T’ 89, founder and CEO of the Murrayhill Company, will be speaking in class today.

Session 10—Wednesday, February 4th

Topics: Identifying Resources and Capabilities, Resource-based Competition


2. Articles on Amazon.com. You should also browse the Amazon.com website.
Session 11—Thursday February 5th

Topic: Resource-based Sustainable Competitive Advantage

Readings: 1. Collis and Montgomery, “Competing on Resources.” (HBR Reprint #95403)

Case: Wal-Mart Stores Inc. (HBS #9-794-024)

Part II. CORPORATE STRATEGY

Session 12—Wednesday, February 11th

Topics: Corporate Strategy, Corporate Advantage


Case: Newell Company: Corporate Strategy (HBS #9-799-139)

Session 13—Thursday, February 12th

Visiting Executive: Joe Galli, CEO, Newell-Rubbermaid

****** Note: All sections meet at NOON in Cook Auditorium ******
(Class will not meet at the regular time.)

Session 14—Wednesday, February 18th

Topics: Diversification Strategies, Acquisition Strategies


Thursday, February 19th --- NO CLASS (due to extra class on Jan. 28th)

Session 15—Wednesday, February 25th

PROJECT PRESENTATIONS

Session 16—Thursday, February 26th

PROJECT PRESENTATIONS

Monday March 1st—Project papers due at noon.

Session 17—Wednesday, March 3rd

Topic: International Diversification and Learning

Reading: Ghemawat, Pankaj. “Building Strategy on the Experience Curve.” (HBR Reprint #85206)

Case: Honda (A) (HBS #9-384-049)

Session 18—Thursday, March 4th

Topic: Strategic Change, Course Review