
BASM 514: Strategy in Organizations
Professional MBA Class of 2020
Course Outline

COURSE INFORMATION

Section Number: BASM 514 - 301

Instructor: David Weiss

Email: dgweiss@mail.ubc.ca

Office Hours: By appointment

Class Dates: January 27, February 10, March 3, March 24 (final exam)

Class Meeting Times: 8:30am – 4:00pm

Classroom location: HA 132

Course website: Canvas.ubc.ca

COURSE OUTLINE

This course is taught from the perspective of a senior manager. It is a “capstone” course in that it builds on the knowledge that you have acquired in the courses that you have already taken in the PMBA program coupled with the work experience you bring to the course. It places emphasis on approaches that have been proven to work effectively in the area of strategy in organizations.

The main goal of this class is to help you answer a common, yet difficult, question: “How can a firm earn long-run profits?” A tautological answer is “raise revenues and cut costs”. This answer, however, avoids the true nature of the question. Namely, given a firm’s context (i.e., location, products, customers, regulation, capital structure, access to financing, market structure, technology, culture, etc.) what can it do to increase its revenues, and cut cost? And, perhaps an even more difficult question, what can a firm do to avoid its profits to be eroded by the actions of its competitors and other market actors?

No equation, recipe or formula can generally answer that question. However, there is critical thinking, technical tools, and rational judgment that we can use to understand the firm’s context and answer the question case by case. A natural consequence of this reasoning is that no firm can be successful by simply imitating the strategy of its opponents. A successful strategy is a consequence of the firm’s own abilities and context. By the same reasoning, two firms competing in the same market can both be successful by using different and well thought out strategies.

From a conceptual standpoint, this is not a difficult class. You will learn how to apply simple, yet powerful ideas and models to specific situations. Instead of simply endowing you with new technical tools, the focus is put in your analytical and strategic thinking. In particular, the primary skills developed in this class are:

- **Diagnosis** - Can you identify the salient details of a situation and understand their strategic significance and implications? The goal is to pick out what really matters from among the facts and to use strategic management frameworks to understand the significance of those details.
- **Creativity** - One theme of the course is that you can’t outperform your competitors by simply doing the same things they are doing. Finding new approaches and new ways to do things in the context of your organization is often the key to a successful, profitable strategy.

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- **Judgment-** The frameworks and tools we discuss in this course need to be applied intelligently. This class teaches you to be a better - meaning a more systematic, logical, complete, critical - thinker about strategy. You should not expect to gain from this course a body of business-related facts. Instead, the aim is to teach you skills that will help you understand the significance of whatever set of facts you face.

The concepts, skills, and analytical tools that you will learn in this course rest on economic and business strategy principles relating to firms' underlying organizational objectives. In particular, a business exists to generate wealth for its owners. To that end, a firm may have to consider stakeholders beyond shareholders. Although the primary focus of this class will be the creation and capture of economic wealth, a variety of other objectives may apply to certain firms in given contexts. The concepts and tools discussed in class can be used to formulate strategy with any objective in mind.

At the end of the course, students will be able to:

- *Analyze a business situation using relevant tools and models effectively*
- *Develop solutions to strategically important business issues and problems*
- *Gain a comprehensive understanding of what it takes for a business to be successful*

TEACHING APPROACH

Because the aim of the course is to build your own critical and analytical thinking abilities, you will spend much of your time preparing for and engaging in class discussion. You will be given tools and concepts to enhance your strategic thinking, but it is the application of these tools and concepts that is the focus of this course.

Many of our discussions will be based on business cases. Cases tend not to have a single, tidy solution. However, there are always better and worse answers, and valid and invalid inferences. Cases never contain all the information you would like to have in order to make decisions. In this way, they are very much like real life. You may find it frustrating to be pushed to make decisions or take a stand when you are not sure whether it is the right one; this is the nature of real-world business decision-making. Cases often offer conflicting information. They will require you to make judgment calls. This kind of ambiguity is also a feature of real-world business decisions. Strategy is a field that asks a big question and so necessarily draws on many of the other functional areas of business. This course aims to give you an overall vision of how the different areas fit together in contributing to the success of the firm.

PREPARING FOR CLASS

Preparing for case discussions means more than just reading the cases. Each case assignment will include several preparation questions, as well as a written assignment that will help you articulate some of your thinking about the case in advance of the discussion. I encourage you to review the questions before reading the case and make some notes after reading the case in order to be prepared for class.

There is no explicit preparation task to do as you complete the conceptual readings, but it is a good idea always to be asking yourself, "Do I believe this argument? Where else does it apply? When would this approach not be useful?"

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Much of our time in class will be spent discussing articles that describe current strategy issues facing companies in a variety of industries and contexts. You are expected to have read these articles and to be prepared to discuss them, although there will not be explicit preparation questions provided for these readings.

If for some reason, you are not prepared for class, I expect you to let me know before class. I know that you are juggling other commitments; you don't need to give me an explanation. However, if you haven't told me otherwise, then you have implicitly committed to be ready to contribute to the class if I should call on you.

HOW TO STUDY FOR THIS COURSE

The aim of this course is to make you more rigorous, critical, precise, and thorough in your analysis of strategy issues. In short, the course goal is to change the way you think. The only way to do this is to practice it steadily throughout the term using situations in the organization you work for or assessing business situations in the news. You can't learn it by "cramming" it all just before the exam. You should think of this course like sports or exercise or learning a musical instrument: you can't really learn anything, and you certainly can't get better at it, by just watching from the sidelines. Practically, here are the most important steps to doing this.

1. **Come to class prepared.** There is no substitute to this. If you haven't read and thought about the material, you won't get very much out of what is going on.
 2. **Engage in class discussion.** Class time is not entertainment, and you shouldn't expect to just sit back and listen. Engaging means listening critically to what other people are saying, evaluating whether you think their arguments are right, and speaking up when you think you have something to contribute.
 3. **Summarize and synthesize.** After every class session, write yourself a summary of what was covered in class: what did we talk about and what lessons were you supposed to take away. Note that the purpose of this is to do it yourself. Forcing yourself to summarize and synthesize this way is how you internalize and obtain ownership of the material. If your study group splits this up and each does a day, you've missed the point; it's not about having the write-up, it's about creating it.
 4. **Practice.** The only way to get good at thinking in a new way is to practice it. When you meet a strategy issue somewhere else (e.g. in the news, talking with someone, in another course, out shopping), use the tools and frameworks of the course to understand it.
 5. **Consider studying with a group.** Some people find it helpful to study and discuss things with a group, some don't. You are looking for a group that discusses carefully and thoroughly, but doesn't descend into a protracted argument about who is right. Once you've discussed as much as you productively can, drop it and pick up the discussion in class rather than beating it to death.
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COURSE MATERIALS & REQUIREMENTS

Cases: There is a required case packet which can be purchased online. Detailed instructions are posted on Canvas.

Readings: All the readings will be posted on Canvas. In addition to readings/cases that are new to you, we will start the course with 3 readings/cases you have used from earlier in the program so that you can revisit them in light of what you have learned over the past year and in the context of this course content. These 3 will be discussed in the morning of Day 1 and are:

- M. Porter, "What is Strategy?" *Harvard Business Review*, Vol. 74, Nov/Dec 1996, pp.61-78
- M. Porter, "The Five Competitive Forces that Shape Strategy," *Harvard Business Review*,
- Performance Indicator, 2003 – HBS 9-702-480

ASSESSMENT SUMMARY

Assessment is based on a combination of individual and group work as follows:

Individual Case Assignments	15%
Group Case Analysis	25%
Final Exam	40%
Class Participation	20%

ASSESSMENT DESCRIPTION

Individual Case Assignments: 15% (Due at the start of class – Feb 10th & March 3rd)

Each class we will use a case study to help us understand, apply and analyze strategic concepts in real business situations. Questions will be posted on canvas for each of these cases.

- For the first class, questions are to be used to help you prepare for an active class discussion. Nothing needs to be handed in.
- For the 2nd and 3rd classes, students are expected to submit answers to the posted questions. While these are also intended to help you prepare for an active class discussion, these assignments we will be graded and will contribute to your overall course grade. These are individual assignments that should reflect original thinking and work. Each assignment is worth the same percentage. Late assignments will not be accepted.

Group Case Assignment: 25% (Due at the start of class – March 3rd)

During the 1st week of class, students will be assigned randomly to groups of 4-5 people. The group will work together in the preparation of a 7-page long (at most) write-up/analysis that applies one or two of the course concepts to a firm's strategic situation. You can select the employer of one of the group members or a firm currently in the news. For example, you might come across a retailer that has an interesting approach to differentiation, or a service company that is trying a new approach to boundaries of the firm. You may choose an organization that is currently adjusting its strategy and assess your interpretation of what they are trying to achieve.

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Your analysis should describe the relevant details of the setting in one or two paragraphs. The rest of the analysis should show how the course concept(s) applies to the situation. Your grade depends entirely on how well you apply the concept to the situation that you have chosen, not whether you have chosen a “cool” problem or company. The more focused and specific a situation you choose, the better your analysis is likely to be. For example, don’t try to analyze “the strategy of Apple”. Instead, you could analyze “the introduction of Apple iOS10” or “Apple’s outsourcing strategy”. The best analysis will be those in which applying course concepts reveals something insightful about the situation that isn’t initially obvious. In other words, I want you to show me that you have learned something about the firm’s strategy and have thought through why they are doing what they are doing.

To give me context for better evaluating your analysis, please include with your submission some document that describes the situation you are analyzing - a newspaper or magazine article or a credible website. If you would like to bounce your idea off me for relevance prior to jumping into the assignment, I am happy to review it with you. The group approach is intended to reflect a real-world approach to tackling an assignment. The timeline you have to work with also reflects what you are likely to face in a work setting.

The write-up should be of a professional quality as if you were presenting it to Senior Executive of the firm. You will be marked on both content and form. They should be typed and double spaced, 12-point font, normal margins with a maximum length of 7 pages which you can split between text, numerical tabulations or appendices as you see fit. **Attached to these reports should be a statement, signed by all members of the group, indicating that this is entirely the group’s own work, is original think and work, and the contribution each group member made to the report.** The template for this statement can be sourced from Canvas.

Final Exam: 40% (Scheduled for March 24th)

The final exam will test your broad understanding and application of course concepts rather than the ability to memorize details. It will be a mix of multiple choice and short answer questions. The best way to prepare for the exam is to learn how to apply concepts, not just learn the concepts. More detailed information about the content and format of the exam will become available as the date approaches.

Class participation: 20%

The participation mark is a substantial portion of your final grade. It is so, because you are expected to be prepared for class and be a relevant and active contributor to the class. The premise of this methodology is that you will learn as much from your classmates’ experiences and views as you will from me. Thus, you must contribute to their learning as well.

I will be monitoring each student’s participation in the class and will be looking for **meaningful contribution** to class discussion, whether it be an interesting question, remark, answer or even respectfully refuting a classmate to generate debate on an issue. You can also earn participation points by emailing me a relevant discussion question (with your answer) before class, a topic I can also cover off in class. A class participation rubric is available on Canvas.

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Date	Topics	Activities / Readings	Assignments Due
Class 1 Jan 27, 2018	- Course Overview - What is strategy?	- Porter reading "What is Strategy" (previously assigned) - Performance Indicator (2003) HBS (previously assigned)	
	<i>Coffee Break: 10:10am – 10:30am</i>		
	- Industry Analysis	- Porter reading "5 forces" (previously assigned) - "In Manhattan Pizza War, Price of Slice Keeps Dropping," <i>New York Times</i> , March 30, 2012. - Class lecture notes	
	<i>Lunch Break: noon – 1:00pm</i>		
	- Competitive Advantage (CA) & Sustaining CA	- Can Johnson & Johnson Get Its Act Together - Where Wal-Mart Failed, Aldi Succeeds - Class lecture notes	
	<i>Coffee Break: 2:30pm – 2:45pm</i>		
- Case Study	Enterprise Rent-a-Car		
Class 2 Feb 10, 2018	Competitive Differentiation	- In-class video: Choice, Happiness and Spaghetti Sauce - Class lecture notes	
	<i>Coffee Break: 10:10am – 10:30am</i>		
	Boundaries of the Firm – Vertical Integration	- Mattel Recalls 19 Million Toys Sent from China - "Delta to Buy Refinery in Effort to Lower Jet-Fuel Costs," <i>Wall Street Journal</i> , April 30, 2012. - Class lecture notes	
	<i>Lunch Break: noon – 1:00pm</i>		
	Case Study	Cola War Continue: Coke and Pepsi in 2010	Individual Case Assignment #1
	<i>Coffee Break: 2:30pm – 2:45pm</i>		
Boundaries of the Firm – Horizontal Integration	- "Samsung Sparks Anxiety at Google," <i>Wall Street Journal</i> , February 25, 2013. - "Samsung Drops Android for New Smartwatch," <i>Wall Street Journal</i> , February 23, 2014. - Class lecture notes		
Class 3 Mar 3, 2018	Case Study	Starbucks: A Story of Growth 2012	Individual Case Assignment #2
	<i>Coffee Break: 10:10am – 10:30am</i>		
	Strategy in the International Environment	- "Differences Across Countries: The CAGE Distance Framework", Harvard Business School Press. - "International Business Strategy: A Journey Of Its Own", <i>Forbes</i> , July, 2011. - Class lecture notes	
	<i>Lunch Break: noon – 1:00pm</i>		
	General Discussion <i>(time permitting and subject to class preferences on potential topics listed to the right.)</i>	- Observations associated with group projects - Executing strategy - Strategies for new entrants & incumbents - Sustainability strategies	Group Case Assignment
	<i>Coffee Break: 2:30pm – 2:45pm</i>		
Review and wrap-up			

*** all required materials will be in the course package or posted on Canvas at the start of the term**

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KEY REGULATIONS

Attendance: As per RHL Regulations on Professionalism, Attendance and Behavior, students are expected to attend 100% of their scheduled classes. Students missing more than 20% of scheduled classes for reasons other than illness will be withdrawn from the course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on a student’s transcript. Students must notify their instructors at the earliest opportunity if they are expected to miss a class due to illness. A medical note from a licensed, local doctor is required if more than 20% of scheduled classes for a course are missed due to illness. Students are required to notify the Student Experience Manager if they are absent from two or more classes due to illness.

Tardiness: As per RHL Regulations on Professionalism, Attendance and Behavior, students are expected to arrive for classes and activities on time and fully prepared. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving halfway through a scheduled class, or later, will be treated as absent for that class.

Electronic Devices: As per RHL Regulations on Professionalism, Attendance and Behavior, laptops and other electronic devices (cellphones, tablets, personal technology, etc.) are not permitted in class unless required by the instructor for specific in-class activities or exercises. Cellphones and other personal electronic devices must be turned off during class and placed away from the desktop. Students who fail to abide by the RHL “lids downs” policy will be asked to leave to room for the remainder of class. Research has shown that multi-tasking on laptops in class has negative implications for the learning environment, including reducing student academic performance and the performance of those sitting around them.

ACADEMIC MISCONDUCT

All UBC students are expected to behave as honest and responsible members of an academic community. Failure to follow appropriate policies, principles, rules and guidelines with respect to academic honesty at UBC may result in disciplinary action.

It is the student’s responsibility to review and uphold applicable standards of academic honesty. Instances of academic misconduct, such as cheating, plagiarism, resubmitting the same assignment, impersonating a candidate, or falsifying documents, will be strongly dealt with according to UBC’s procedures for Academic Misconduct. In addition to UBC’s Academic Misconduct procedures, students are responsible for reviewing and abiding by RHL’s policy on Academic Integrity.

STANDARD REFERENCE STYLE

The Robert H. Lee Graduate School uses American Psychological Association (APA) reference style as a standard. Please use this style to cite sources in our work unless directed to use a different style.

LATE ASSIGNMENTS

Late submissions will not be accepted and will receive a zero.

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KEY RECOMMENDATIONS FOR EFFECTIVE CASE ANALYSIS

1. Read the case twice, once for an overview and once to gain full command of the facts; then take care to explore every one of the exhibits.
2. Make a list of the problems and issues that have to be confronted.
3. Do enough number crunching to discover the story told by the data presented in the case.
4. Look for opportunities to use the concepts and analytical tools you have learned earlier.
5. Be thorough in your diagnosis of the situation and make at least a one or two-page outline of your assessment.
6. Support any and all opinions with well-reasoned arguments and numerical evidence; don't stop until you have eliminated all "I think" and "I feel" from your assessment and can rely completely on "My analysis shows..."
7. Develop charts, tables and graphs to expose more clearly the main points of your analysis.
8. Prioritize your recommendations and make sure they can be carried out in an acceptable time frame with the available skills and resources.
9. Review your recommended action plan to see if it addresses all of the problems and issues you identified.
10. Be aware of the downside risks of your recommendations; prepare contingency plans if necessary.

NOTE: The cases used in the course invariably have been written some years ago. In analysing these cases, do not use hindsight (e.g. by referring to subsequent economic developments). Try to put yourself in the position of the manager at the time, and analyse the situation only with the information provided in each case.

GUIDELINES FOR WRITTEN CASE ANALYSES

An important business skill is the ability to convey information clearly and concisely. Managers are busy and need to absorb information as efficiently as possible. As a busy manager, what information would you like to see, and how would you find it most effectively presented?

The format of the report is up to you. A suggested format will be discussed in class, although the relative emphasis in each report will obviously differ depending on the key issues in the case. Graphs and numerical calculations may be included in the text, if they illustrate an argument, or in an appendix attached to the report. The choice is yours.

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Condensing information into limited space requires the setting of priorities: What is really critical and what is ancillary? The focus will be on covering the essential dimensions of the problem, the key trade-offs and risks, even if you have to leave some ancillary material out. It also requires careful editing to ensure that the limited space is used effectively, that the ideas flow in a manner which is logical and easy to absorb and that key arguments are properly substantiated. Headings are recommended. Numerical appendixes and graphs need to be easy to understand and properly integrated with the text. Finally, a professional appearance in polished English is an essential prerequisite. Few people can do this without spending substantial time and effort.

Some common mistakes to avoid include:

- wasting space by repeating details known to the reader
- hedging your bets by not taking a clear position
- trying to cover all bases without setting and conveying priorities.

Ultimately you are judged not by what you know but by what you communicate.