This is an introductory course in Strategic Management for students in the MBA program. In brief, the focus will be on an analysis of management strategy formulation in a variety of national and international organizations and enterprises. It is an integrative course which means that the primary purpose is to (1) introduce the student to a variety of business concepts and functions where the unit of study is the firm or organization, and (2) to advance the student's managerial skills set.

Strategic Management has its foundations in Business Policy. Business Policy is "the study of the functions and responsibilities of senior management, the crucial problems that affect the success in the total enterprise, and the decisions that determine the direction of the organization and shape its future. The problems of policy in business (like those of policy in public affairs) have to do with the choice of purposes, the definition and recognition of organizational identity and character, the continuous definition of what needs to be done, and the mobilization of resources for the attainment of standards for the enforcement of responsible and ethical behavior."

The central theme of business policy is the strategy of the enterprise. Strategy, for our purposes, is "the determination of long-term goals and objectives of an enterprise, the choice of courses of action and the allocation of resources necessary for achieving these goals". The study and practice of strategy (or strategic management) focuses on processes involving formulation and implementation. In Strategic Analysis, we will focus primarily on strategic formulation by addressing the following questions:

- Is there a vision for the future? What business are we in/do we want to be in?
- What goals do we want to achieve? When? Is our internal culture supportive of change?
- What are the "Keys to Success" in our industry? Is our industry changing?
- What external opportunities might we pursue? What external threats must we adapt to or counter?
- What resources (human, physical, financial) and systems (structural, control, reward) are needed?
- As an organization, do we have a "competitive advantage"? Is it sustainable?
- How should we compete? What courses of action, or strategic options, are available to achieve our goals?

Our perspective is that of the general manager. The general manager may be a corporate president, an SBU executive, the head of an operating unit, or an owner-operator-entrepreneur. This course, however, is not only relevant to future general managers. An appreciation of the overall organization's strategy is essential for functional specialists if they are to successfully coordinate their activities with the overall direction and needs of the business.
COURSE OBJECTIVES

The approach of this course is *practical and problem-oriented*. The major part of the course will involve applying concepts, analytical frameworks, and intuition to the strategic issues which real-world managers face. Most of the theory and concepts used will be drawn from such fields as economics, finance, marketing, organization theory as well as strategic theory. The specific course objectives are:

1. To acquaint the student with the *basic strategic analysis concepts* of strategic management;
2. To gain experience in developing a framework of *Strategic Thinking* in order to:
   - Understand the reasons for good or bad performance by an enterprise,
   - Generate and assess strategic options under conditions of imperfect knowledge,
   - Recommend the best approaches for implementing the chosen strategy.
3. To encourage the development of all levels of *managerial skills*;
4. To develop the student's capacity as a *general manager* in terms of:
   - An appreciation of the work of a general manager.
   - The ability to view business problems from a general management perspective,
   - The ability to develop original and innovative solutions to strategic problems.
5. To improve the student's skills in oral and written *communications*.

COURSE TEXT

The text for this course – containing both concepts and cases - is:

Hitt, Ireland and Hoskisson, *STRATEGIC MANAGEMENT-CONCEPTS & CASES 11th Ed.*

Class notes (copies of overheads) can be found on the class BlackBoard site.

It is highly recommended that the student begin developing a practice of reading material on strategic management that can be found in many current magazines, periodicals and journals. Particular emphasis should be placed on *BUSINESS WEEK, FORTUNE, FORBES, INC, WALL STREET JOURNAL, FINANCIAL TIMES* and the like. Two journals - *STRATEGIC MANAGEMENT JOURNAL* and *STRATEGY+BUSINESS* - are also available. Current issues will be a major part of class participation.

WEBSITE

An Internet Web Site for this class has been developed. The web site will contain announcements, grades and other materials associated with the course.

COURSE EVALUATION

The student's final grade in the course will be based on the following elements:

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<th>Element</th>
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<tr>
<td>Exam</td>
<td>200</td>
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<tr>
<td>Written Case Report</td>
<td>200</td>
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<tr>
<td>Group Project</td>
<td>200</td>
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<td>Class Participation</td>
<td>100</td>
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<tr>
<td>Group Peer Evaluation</td>
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<td><strong>TOTAL</strong></td>
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The format for the final grade will be "A" = 90%, "B" = 80%, and so on.
Exam

One exam will be given during the semester. This will be essay in nature and will cover material presented/discussed in both lectures and case analyses sessions. There will be no final exam.

Written Case Report

Each student will be required to submit written analysis of the Logitech case study during the module. The format for the report will be to answer a set of questions provided for the case (see attached) and should be approximately 5-6 doubled-spaced typewritten pages in length (plus exhibits, to include at minimum tables identifying opportunities/threats, strengths/weaknesses and a matching analysis). Grading criteria include: (1) Analysis rigor, (2) Quality, professionalism and clarity of writing and presentation, and (3) Specific, action oriented, internally consistent and common sense recommendations (Note: Do not try to guess my conclusions on the case – there is no right/wrong answer!).

Group Project

The class will be divided into groups of 4-5 students for the Group Project. You will have approximately one week (10/29 class) to form your own groups - after that time, the Professor will form the groups. (Note: At any time when you have decided upon group membership, please give your professor a piece of paper or email with a list of requested members).

The objective of the Group Project is to apply the tools of strategic analysis to evaluating the strategy and performance of a real organization (business or not-for-profit) and, on the basis of an analysis of the present situation and emerging trends, to begin to chart or recommend a future direction of the enterprise. You are assuming the role of management consultants for this project.

Local or Texas-based businesses, as well as national or global businesses may be selected. They may be large or small, a single corporation or a division or business unit of a larger concern. They may also be government, not-for-profit, or charitable organizations. Three types of projects may be selected: (1) Interactive, (2) Literature-based, and (3), Start-Up Business or New Venture Idea.

For the interactive project, your group will contact, gain cooperation, meet with, and collect information from managers in the firm and other sources to conduct the analysis. The professor will provide - if needed - a letter of introduction or confirmation to the firm regarding the educational nature of this project.

The literature-based project does not require personal contact with the firm and is for groups unable to secure local business interest. The task of the group will be to conduct an analysis of a selected firm from public sources. As with the interactive format, sources may include annual reports, 10K reports, magazine/newspaper articles, press releases, Internet sources, and investment analysts’ reports.

Finally, the Start-up Business or New Venture concerns an idea for an enterprise which your group would like to explore more fully. Rather than a full-blown Business Plan, the task of the group will be to analyze and present a Feasibility Study of the idea. The major difference is that a Business Plan will contain a significant section on financial needs and projections, while the Feasibility Study will only provide a cursory review of financial analysis - the major emphasis will be on identifying and matching the market need with a preliminary business plan.

The selected topic from one of three options must be approved by the professor by Class 4 (11/12). Make your selection as early as possible to lay claim to the organization as duplication in the class will not be allowed. The professor also reserves the right to reject a topic organization if it has been frequently analyzed by previous classes (e.g., Google, HP, Apple, St. Arnold’s Brewery, Landrys and so on).
The format or content of the project will vary according to the characteristics and circumstances of the company and its industry, and the preferences of the students and the company managers. A suggested general format is attached.

The project output includes:

1. An oral (non-graded) presentation to the class of a maximum of 20 minutes in which you will outline your findings and recommendations to be followed by 10 minutes of Q&A. A 1-2 page Executive Summary should be prepared and distributed to each member of the class. The use of visual aids is recommended and professionalism is assumed. A brief financial analysis is expected. Note: Because of class size, some teams may not present.

2. A Summary Report to the Professor that will include the 1-2 page Executive Summary (see above) and copies of all overhead/PowderPoint slides used in your presentation. Note: this is not a lengthy report!

Presentations will be made on December 10, 2015 with the final Project Output due on that date. The Professor will determine the order of presentations.

**Participation**

Class discussion and participation in subject, current issues and cases analyses constitute a major part of this course. The overall participation grade will be based on two components: (1) class attendance and quality of participation in all class discussions, and (2) peer evaluation of your contribution in group project activities.

**A Note on Case Preparation**

Preparation for the case discussion should begin with a quick reading of the assigned text chapter and case material. Then, it is worthwhile to review the assignment questions for clues as to what issues require special attention. The next step is to reread the case carefully, taking notes that sort information, facts, and observations under a number of relevant headings. Most cases require that you perform some quantitative analyses, and explore alternatives as to the reasons for the firm’s observed performance.

Two suggestions for you to consider. First, there is an important difference between “repeat of facts” and “analysis of facts”. Re-stating the material in the case situation is not worth much unless you make an effort to interpret the meaning of the facts - this is analysis!!

Second, when presented with pages of data and numbers (e.g., financial information), don’t get hung up in the “forest vs. trees” situation. In other words, don’t immediately start cranking out 127 ratios and models from financial balance sheets and income statements. You may not have to do this! In your initial and later reading of the case (and in the clues from the assigned questions), you should be able to identify what type/form of quantitative analysis is needed.

It is also assumed that you will read, analyze and be prepared to discuss all cases. Each case requires you to go back in time: therefore, no updating is necessary. Use only the material in the case.
A NOTE ON ASSUMPTIONS AND EXPECTATIONS

Certain assumptions and expectations - of the student and of the professor - should be noted:

- After presenting the basic foundations of strategic analysis, my lectures will be kept to a minimum. You will take the lead in case discussions.
- While we will highlight the process of Strategic Planning, the major focus will be on developing conceptual skills and Strategic Thinking.
- Since the study of Strategic Analysis is so dynamic, the professor will highlight current issues from today's headlines in a number of classes. Learn to read current publications, hard copy or on the web!
- Your attendance at all classes is expected. If you have to be absent for more than one class (e.g., business trip), please let me know.
- The only way for this course to be successful is for everyone to come to class prepared. This means reading the text chapters and each case, even those that have not been assigned to you for written analysis.
- To assist in class participation and knowing your names, name cards will be used for each student. Please bring them to each class!
- Professionalism in written and oral assignments is assumed and will be stressed. No late papers will be accepted. If you email attachments to me, please check for viruses!!
- Knowledge and use of Internet resources is helpful.
- Except for emergency situations, please turn off all cell phones, smart phones or whatever.
- The course is not just about reading and analyzing. It is about ideas and the sharing of these ideas. Don't analyze and present with blinders on - be innovative.
- Unless specifically involving class material, please close your laptop computers.
- In a nutshell, you'll get out of this course as much as you put in. I intend to have fun.

READINGS, CASE ASSIGNMENTS and POLICY STATEMENTS

A tentative schedule of assignments, subject to revisions, is attached, along with written case assignments. All cases are in the textbook.
The following statements from the Bauer College of Business faculty I strongly support:

Academic Honesty:
The University of Houston Academic Honesty Policy is strictly enforced by the Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the UH Student Handbook, http://www.uh.edu/dos/hdbk/acad/achonpol.html. Students are expected to be familiar with this policy.

Accommodations for Students with Disabilities:
The Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD at 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

Instructor Evaluation:
The Bauer College has a policy that requires all of its instructors to be evaluated by their students. The results of these evaluations - which are distributed only after all grades have been submitted - are important to provide feedback to instructors on how their performance can be improved. In addition, these evaluations are carefully considered in promotion, salary adjustment, and other important decisions. We openly encourage students to provide feedback to the instructors and to the Bauer College through the evaluation process.
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<td>Diversification Strategies [6]</td>
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* = Discussion Case  
** = Discussion/Written Case  
[ ] = Class Lecture Notes on BlackBoard Vista
CASE ANALYSIS QUESTIONS

(NOTE: All written cases must include – in an Appendix – information/data related to: (1) a complete Industry Analysis, (2) External Opportunities/Threats, (3) Internal Strengths/Weaknesses, (4) Sustainable Competitive Advantage, and (5) a Matching Analysis).

TESLA

1. Conduct an Industry Analysis for the industry in which Tesla participates. What are the Keys to Success? Is this an attractive or unattractive industry currently and/or in the future? What are Tesla's biggest external threats?
2. Identify Tesla's internal Strengths and Weaknesses. Does it have a competitive advantage and is it sustainable?
3. Summarize and evaluate Tesla's current strategy. What strategic options should management consider and in what order of priority?

CHIPOTLE

1. From an Industry Analysis, identify the major Keys to Success for the industry in which Chipotle participates. What are the main external Opportunities and Threats?
2. From an analysis of internal Strengths and Weaknesses, does Victory have a competitive advantage and is it sustainable?
3. Identify and evaluate Chipotle's Business Level Strategy and the key sub-elements. What are the major risks associated with this strategy?
4. Given your responses in (1) thru (3), what changes, if any, would you recommend to management at the end of the case?

NEW YORK TIMES

1. From an Industry Analysis, what are the major Keys to Success for the industry in which the NYT competes at the end of the case? Is this an attractive or unattractive industry? What changes, if any, would you expect to see by 2018 in the industry?
2. From an analysis of internal strengths/weaknesses, does the NYT have a competitive advantage and is it sustainable?
3. Identify and discuss the type of turnaround strategy NYT needs at the end of the case. What are the elements/components this strategy? What are the priorities?
LOGITECH

1. From an Industry Analysis (show it in an exhibit), what are the major Keys to Success for the computer peripheral industry? What are the main opportunities and threats? What are the most important elements (opportunity and threat) that management must focus on in the future.

2. From an analysis of internal Strengths/Weaknesses, does Logitech have a competitive advantage and is it sustainable? Relate your response to the Keys to Success you identified above.

3. Using your responses above (and your Matching Analysis), what recommendations would you make to top management for the near term (1-3 years) and far term (5-10 years)?

HARLEY-DAVIDSON

1. From an Industry Analysis (show it in an exhibit), what are the major Keys to Success for the global motorcycle industry? From an analysis of opportunities/threats, which threats pose the greatest short-term and long-term risks for the company?

2. From an analysis of internal Strengths/Weaknesses, does HD have a competitive advantage and is it sustainable?

3. Identify and evaluate HD's Corporate and Business Level strategies. Based on your analyses above, do you recommend any changes to these strategies? At minimum, briefly highlight your thoughts on HD's international growth and possible product line diversification.

LOCKHEED MARTIN

1. From an Industry Analysis (show it in an exhibit), identify the Major Keys to Success for the international defense industry. Identify the main opportunities and threats. Is this an attractive or unattractive industry at the end of the case? Define your criteria.

2. With respect the LM's major divisions, identify and evaluate the strategies used to date. Do any of the divisions have a competitive advantage? Sustainable?

3. Using your responses in (1) and (2) above, what recommendations would you make for Hewson as she takes the reigns of the company? What are the priorities?

COLUMBIA SPORTSWEAR

1. From an Industry Analysis (show it in an exhibit), what are the major Keys to Success for the industry in which CS competes at the end of the case? What are the main Opportunities and Threats?

2. From analysis of internal strengths/weaknesses, does CS have a competitive advantage at the end of the case and is it sustainable?

3. Evaluate CS's strategies to date. What changes might be needed in the future?
1. You are going back in time....use only the case material in the text...Do not update.

2. Answer all assigned questions.....most questions have multiple parts.

3. In addition to your name, the page layout should begin by repeating the first question, followed by your response...repeat the second question, followed by your response, and so on. Please double space.

4. Select exhibits are required (i.e., Industry Analysis, Matching Analysis, etc.). Do not fully repeat the information that is in your exhibit in the narrative portion of the paper.....summarize the key points of the exhibit in your discussion. You may add other exhibits to support your logic and analysis.

5. Your Industry Analysis discussion should focus on the industry and not solely on the organization in the case.

6. The narrative portion of the paper should be about 4-6 pages...this is a “ball park” figure, not a hard criterion. Exhibits do not count in the suggested paper length.

7. Our case discussion will usually begin after the break. I will accept papers up to the start of that discussion....late papers are not acceptable. I will also accept cases as an email attachment up to the point of the discussion should you be late or out of town.

8. Please pay attention to professional writing style issues....such as proper spelling, margins, word usage, paragraphs that do not run on for 2 pages, and so on.

9. Good luck....
MANA 6A83
Suggested Analysis Format for the Group Project

ANALYSIS FORMAT

1. **EXECUTIVE SUMMARY:** A brief (1-2 page) overview of the group's analysis, key strategic issues, and recommendations. This is the *handout* you will give out to each student in your presentation.

2. **MISSION/GOALS:** Evaluation of the firm's stated (if stated) mission and goals. If none exist, develop them in a *very brief and concise* manner.

3. **EXTERNAL ANALYSIS:** Analysis and evaluation of the firm's major external environmental components. This includes the General Environment, Industry Analysis (5 Forces Model), and Competitor Analysis. Section should end with a *clear identification of key opportunities and threats.*

4. **INTERNAL ANALYSIS:** Analysis and evaluation of the firm's major internal resources, capabilities, and core competencies. A financial analysis is expected. You should end this section with a *clear identification of key strengths and weaknesses.*

5. **COMPETITIVE ADVANTAGE:** Brief statement which highlights the firm's *Competitive Advantage* or *Sustainable Competitive Advantage* (if any). This will serve as the lead into the next section.

6. **STRATEGIC ALTERNATIVES:** Flowing directly from Step 5, this section should identify and evaluate the *major* strategic alternatives or options available to the firm currently. A *Matching Analysis* is required, but in *concise form.*

INSTRUCTIONS

1. Remember that you are acting as management consultants to the firm to analyze the situation.
2. The report should be professionally done. The report will be submitted with the presentation (12/10).
3. The presentation should be *no more* than 20 minutes in length (excluding Q&A session). The format need not be totally followed, though the key points should be made at some time. Creativity is welcomed and encouraged. Use of PowerPoint and other presentation aids is also encouraged. Every member of the team need not present....in fact, it is recommended that the presenters be limited to 1-3 people. The presentation is informal, *non-graded* and *some teams may not present because of class size.*
4. *Remember:* This assignment does NOT require a lengthy report to be submitted by the team. Your project submission will include two elements: (1) An Executive Summary, and (2) copies of all slides, tables, exhibits and so on.