



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

STRATEGIC MANAGEMENT

BUSMHR 4490

Autumn Semester 2017

Instructor:

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Lecture Section(s):

105 Schoenbaum Hall

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Course Text:

Strategic Management 3e by Frank T. Rothaermel

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Course Overview:

Strategic management is an integrative management field that combines the three macro learning objectives of the course—how to *analyze*, *formulate* and *implement* strategy in the quest for competitive advantage.

Strategy is the set of goal-directed actions a firm takes to gain and sustain superior performance relative to competitors. In any competitive situation, therefore, a good strategy enables a firm to achieve superior performance.

Course Prerequisites:

BUSMHR 4490 is an introduction to the concepts and analytic tools in the field of strategic management to understand the competitive position of firms. Prerequisites include: BUSMHR 2290 and 2291, or BUSADM 499; and BUSMHR 3200 (701), BUSFIN 3220 (620), 3500 (510), BUSMGT 3230 (630), and BUSML 3250 (650); and Senior standing; and enrollment in Fisher College of Business. Not open to students with credit for BUSADM 799. Not open to students in UUSS, UEXP, or PREBSBA-PR.

Expected Learning Outcomes:

A good strategy consists of three elements. Students taking this class will master the learning outcomes inherent in these three elements. After taking this class, you will therefore be able to do the following:

1. Complete a *diagnosis* of the competitive challenge facing a firm. This element is accomplished through *analysis* of the firm's external and internal environments.
2. Develop a *guiding policy* to address the competitive challenge. This element is accomplished through *strategy formulation*, resulting in the firm's corporate, business, and functional strategies.
3. Construct a *set of coherent actions* to implement the firm's guiding policy. This element is accomplished through *strategy implementation*.

By understanding good strategy, and how to use the analysis, formulation and implementation (AFI) framework, we can learn how to develop a strategy/ structure relationship that helps the firm achieve and sustain competitive advantage.

"There is nothing so practical as good theory" Lewin (1951) wrote. Here we use the practical applications the literature of strategic management has developed through time, in both our large lecture and case-based recitation sections.

Learning Objectives:

LO Part 1 Analysis: Analyze what strategy and strategic leadership are; being able to scan the internal and external environment. Understand how to manage from the "inside out" and "outside in" and also measure the firm's advantage.

LO Part 2 Formulation: Explain business strategy; (i.e., differentiation, cost leadership, and blue ocean), innovation and entrepreneurship; and corporate strategy (e.g., vertical integration and diversification, alliances and M&A), as well as global strategy.

LO Part 3 Implementation: Recognize the strategy/ structure relationship—including organizational design; structure, culture and control, and the overall relevance of sound corporate governance and business ethics practices.

Satisfying these objectives involves individual and experiential learning and demonstrating understanding the AFI strategy framework (e.g., by taking quizzes, conducting group case studies, doing a group presentation, and also completing an individual writing assignment).

Course Workload:

The university and college expectation is that students spend two hours outside of class for every hour spent in class. For example, you should expect to spend approximately 6 hours per week outside of class on course-related work for the average course.

Attendance Policy:

Any student who fails to attend without giving prior notification to the instructor will be dis-enrolled after the third instructional day of the term, the first Friday of the term, or the second scheduled class meeting of the course, whichever occurs first.

Lecture and Recitation Grading:

This course has two main components: (1) a lecture component where we cover the theories and background material of strategy; (2) a recitation component focused on case analysis, discussion, and the application of the ideas of strategy.

Lecture Component (40% of your final grade):

- Quizzes: There will be three exams/ quizzes based on lecture material. The quizzes are multiple-choice.
- Your performance on the quizzes will determine 30% of your total grade. Each quiz is worth 10% each.
- Other: 10% of your grade will be based on other assigned lecture-based criteria such as from attendance and participation.

Recitation Component (60% of your final grade):

- The recitation is where you put theory into practice using the case method. It will consist of conducting the analysis of case studies assigned to you.
- You will be assigned groups that will conduct case write-ups and also present case findings in class. You will also be doing an individual writing assignment.
- Your recitation assignments and grading are at the discretion of your recitation professor—please see your recitation syllabus for useful details.

Grading Scale:

A = 93 – 100%	C = 73 – 76.9%
A- = 90 – 92.9%	C- = 70 – 72.9%
B+ = 87 – 89.9%	D+ = 67 – 69.9%
B = 83 – 86.9%	D = 60 – 66.9%
B- = 80 – 82.9%	E = below 60%
C+ = 77 – 79.9%	

Examination Policy:

Missed quizzes/ exams can only be made-up in extreme cases and with proper documentation. Each decision of potentially allowing a make-up is made by the instructor on a case-by-case basis. Additionally, you must contact the instructor as soon as you know of a potential problem or conflict with a quiz/ exam date. Alternative methods (e.g., oral exam, essay) of testing may be used for make-ups. If you are experiencing an extreme situation or emergency, please attempt to notify the instructor as soon as possible.

Fairness in Grading:

We will do everything we can to grade fairly according to the quality of work produced in student assignments. If you carefully review your assignment and become convinced that a particular grade should be reviewed, you may submit a written justification for the reevaluation of the assignment with two copies of all supporting materials. Your appeal will not be successful unless you provide an extensive and well-crafted argument detailing the request. No re-grading will occur before the end of the semester (besides obvious administrative errors).

Lecture Calendar:

The following is a consolidated weekly guide for the course. It follows a Monday (lecture) and Tuesday (recitation) format. You are responsible for reading and studying the chapter material prior to class. Note that your recitation starts the first week of classes, and lecture the second full week.

<i>Topic(s) Covered</i>	<i>Week</i>	<i>Date(s)</i>
Part I: Analysis		
CH 1: What is Strategy and Why Is It Important?	2	Mon Aug 28
Labor Day—no classes, offices closed	3	Mon Sept 4
CH 3: External Analysis, Industry Structure, Competitive Forces	4	Mon Sept 11
CH 4: Internal Analysis: Resources, Capabilities, Core Competencies	5	Mon Sept 18
Quiz 1	6	Mon Sept 25
Part II: Formulation		
CH 6: Business Strategy: Differentiation, Cost Leadership	7	Mon Oct 2
CH 7: Business Strategy: Innovation and Entrepreneurship	8	Mon Oct 9
CH 8: Corporate Strategy: Vertical Integration and Diversification	9	Mon Oct 16
CH 9: Corporate Strategy: Strategic Alliances and M&A	10	Mon Oct 23
Quiz 2	11	Mon Oct 30
CH 10: Global Strategy: Competing Around the World	12	Mon Nov 6
Part III: Implementation		
CH 11: Organizational Design, Structure, Culture and Control	13	Mon Nov 13
CH 12: Corporate Governance and Business Ethics	14	Mon Nov 20
Corporate Governance (cont'd)	15	Mon Nov 27
Quiz 3	16	Mon Dec 4

Some coaching tips: The quizzes are cumulative in the sense that the lecture/ recitation material builds on itself, but the quiz questions will focus on the newer material we cover in lecture. Note additional material will be gone over in lecture too—from other chapters in the text and some outside material. You are responsible for this as well. The cases line up with the lecture material and the AFI framework, although case questions may have you look ahead in the lecture text material and also refresh on earlier elements of the AFI Framework covered—this is dynamic by design.

Academic Integrity:

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's *Code of Student Conduct*, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's *Code of Student Conduct* and this syllabus may constitute "Academic Misconduct."

The Ohio State University's *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's *Code of Student Conduct* is never considered an "excuse" for academic misconduct, so I recommend that you review the *Code of Student Conduct* and, specifically, the sections dealing with academic misconduct.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct.

If COAM determines that you have violated the University's *Code of Student Conduct* (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Other sources of information on academic misconduct (integrity) to which you can refer include:

- The Committee on Academic Misconduct web pages ([COAM Home](#))
- *Ten Suggestions for Preserving Academic Integrity* ([Ten Suggestions](#))
- *Eight Cardinal Rules of Academic Integrity* (www.northwestern.edu/uacc/8cards.htm)

Disability Policy:

The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. You are also welcome to register with Student Life Disability Services to establish reasonable accommodations. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. **SLDS contact information:** slds@osu.edu; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

Strategy Analysis, Formulation, and Implementation (AFI) Framework

Strategic management is an integrative management field that combines analysis, formulation, and implementation in the quest for competitive advantage. **Strategy** is the set of goal-directed actions a firm takes to gain and sustain superior performance relative to competitors.

In strategic management, you often take the perspective of the CEO or person responsible for the strategy of the organization. You normally use an inductive approach to the analysis. The following is a helpful overview of strategy AFI—analysis, formulation and implementation areas covered in the course used in the practical application of theory.

Analysis

Performed an **external environmental** analysis of the:

- Macrolevel environment (PESTEL)
- Industry environment (Porter's five forces)
- Competitive environment

Performed an **internal analysis** of the firm using RBV/ RBT:

- Identified resources, capabilities and competencies
 - Used VRIO analysis
- Identified value chain primary and support activities

Analyzed competitive advantage and firm performance:

- Used financial and market-based measures
- Comparison of firm to competitors, peers, industry average
- Assessment of achieving and sustaining competitive advantage

Formulation

Provided analysis of firm's **business-level** and **corporate-level** strategies:

- Business strategy
 - Differentiation, cost leadership, integration
 - Innovation and strategic entrepreneurship
- Corporate strategy
 - Vertical integration and diversification
 - Potential acquisitions, alliances, networks
- International strategy
 - Competing around the world

Implementation

Explain how to put strategy into action and align strategy/ structure relationship:

- Organizational design, structure, culture, control
 - Functional, multidivisional, matrix structure
 - Control and reward systems
 - Strategy/ structure relationship
- Corporate governance and business ethics
 - Agency theory
 - Shared value