



# THE OHIO STATE UNIVERSITY

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## FISHER COLLEGE OF BUSINESS

### STRATEGIC MANAGEMENT BUSMHR 4490

Summer Semester 2018

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<b>Lecture 3574:</b>	315 Schoenbaum Hall Mon 5:30PM-7:05PM

**Course Text:** ***Strategic Management 3e*** by Frank T. Rothaermel  
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#### 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.*

#### 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.

### **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: Understanding what strategy and strategic leadership are; being able to scan the internal and external environment. Know how to manage from the "inside out" and "outside in" and also measure the firm's advantage.

LO Part 2 Formulation: Understanding 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: Understanding 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 six hours per week outside of class on course-related work for the average course.

### **Attendance and Participation Policy:**

Attendance and participation are very important in creating a class environment that is both interesting and meaningful to the student. You should attend class (in person and online) regularly and be on time. Be prepared to ask and answer questions. Fisher College of Business strongly enforces University attendance policies. As per University rule 3335-8-33, any student who fails to attend (or activate online) 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):*

- There will be three quizzes based on lecture material (30%). The quizzes are multiple-choice.
- Each quiz covers lecture and text material, is non-cumulative, and does not cover specific case-based questions from recitation.
- Other assigned lecture-based criteria such as from attendance and participation (10%).

#### *Recitation Component (60% of your final grade):*

- You will be assigned groups that will conduct a strategy term project (20%), and do a group write-up using a memo format.
- Your group will also do a presentation. The presentations require addressing the case study questions (20%) of a specific case.
- The remainder comes from attendance and participation and other recitation assignments (20%).

### **OSU Standard Grading Scale:**

<b>A</b> = 93 – 100%	<b>C</b> = 73 – 76.9%
<b>A-</b> = 90 – 92.9%	<b>C-</b> = 70 – 72.9%
<b>B+</b> = 87 – 89.9%	<b>D+</b> = 67 – 69.9%
<b>B</b> = 83 – 86.9%	<b>D</b> = 63 – 66.9%
<b>B-</b> = 80 – 82.9%	<b>D-</b> = 60 – 62.9%
<b>C+</b> = 77 – 79.9%	<b>F</b> = below 60%

### **Examination Policy:**

Missed quizzes can only be made-up in extreme cases and with proper documentation. Each decision of potentially allowing a make-up is made by the lecture instructor on a case-by-case basis. Additionally, you must contact the lecture 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.

### Lecture Calendar:

The following is a weekly guide for the course. It is required to read the chapters and cases prior to lecture and recitation and come to recitation ready to discuss the cases.

Week	Chapter	Date
1	1	Monday, May 14th
2	3-4	Monday, May 21st
3	<b>MEMORIAL DAY- NO LECTURE</b>	<b>Monday, May 28th</b>
4	<b>QUIZ 1</b>	<b>Monday, June 4th</b>
5	6	Monday, June 11th
6	7	Monday, June 18th
7	8-9	Monday, June 25th
8	<b>QUIZ 2</b>	<b>Monday, July 2nd</b>
9	10	Monday, July 9th
10	11	Monday, July 16th
11	12	Monday, July 23rd
12	<b>QUIZ 3</b>	<b>Monday, July 30th</b>

Some coaching tips: The exams are non-cumulative although the lecture/ recitation material builds on itself. They do not cover the recitation cases. The cases line up with the lecture material and the AFI framework, although case questions (as below) 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.

### 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).

### Syllabus Updates:

Information on this syllabus may be updated at your instructor's discretion. You are responsible for keeping up to date as such (via online and/ or in class). Thank you for your cooperation.

### 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.

**Fisher Honor Statement:**

Fisher students are expected to be familiar with and abide by the principles and standards set forth in The Ohio State University's code of student conduct and code of academic conduct. It is also expected that each student will behave in a manner that is consistent with the Fisher Honor Statement, which reads as follows:

*“As a member of the Fisher College of Business community, I am personally committed to the highest standards of ethical behavior. Honesty and integrity are the foundation from which I will measure my actions. I will hold myself, and my peers accountable to adhere to these standards. As a leader in the classroom, community and business environment, I will pledge to live by these principles and celebrate those who share these ideals.”*

- Honor Statement of the Fisher College of Business

**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](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](http://slds.osu.edu); 098 Baker Hall, 113 W. 12<sup>th</sup> 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