



THE OHIO STATE UNIVERSITY

CORPORATE DIVERSIFICATION

BUSMHR 7415
Spring 2018

Professor: Brad Skousen
Office: Fisher 230
Phone: 292-4588
E-mail: skousen.2@osu.edu

Office hours: After class; OR by appointment

REQUIRED READING

- Articles and Book Chapters will be posted to Carmen
- Harvard Case Studies must be purchased on-line. You can purchase these cases via the following link: <http://cb.hbsp.harvard.edu/cbmp/access/73190895>

COURSE OVERVIEW

This course focuses on the strategic management of corporate multi-market activity. We will examine the following questions:

1. Why do we have multi-market firms?
2. What determines firm boundaries?
3. How do multi-market firms create or destroy value?
4. How should firms expand into new markets?
5. How should multi-market firms be managed?

We take the perspective of the CEO or a top manager and consider the implications of expanding the boundaries of a firm to include activities in additional markets (whether they are based on product, geography, or industry). While your core strategy course focused on business strategy (ie, how to build a sustainable competitive advantage in a discrete and identifiable market), our area of interest is corporate strategy (ie, the overall plan for a diversified company).

COURSE PREREQUISITES

Strategy courses are traditionally formulated as “capstone” courses, relying on knowledge of all of the major areas of business studies such as finance, accounting, marketing, operations management and

logistics, and organizational behavior. I will be asking you to draw on all of your knowledge accumulated during your business studies, and I will also assume you understand how all of these areas interrelate in the management of businesses. If you have any concerns about the prerequisites for this course, please contact the instructor. In addition, I will expect a high level of sophistication in analytical and communication skills.

REQUIRED MATERIALS

A number of **required readings will be posted to Carmen in addition to the required cases you purchase from Harvard**. I will also suggest some optional readings that may be useful in background reading. Assume that all readings distributed in class are required reading unless otherwise specified. You will be expected to draw on all material in your homework and exam responses.

To facilitate your planning and preparation, I have included a table containing a course schedule that covers the required reading for each class, the case to be discussed, and the schedule of assignments and due dates. Please note that these materials may be in a slightly different order than the materials in your course pack. Make sure that you find the correct readings to prepare for each class. Importantly, I reserve the right to revise or alter in any way the course schedule and the materials in this syllabus.

COURSE COMMUNICATION

A Carmen website has been created for this course. Please check Carmen on a regular basis. I have a tendency to post updates and comments on the course website that will make the class easier and more interactive. This course website also will contain the course syllabus, lecture notes, discussion questions, assignment information, and other announcements. When appropriate, this information will also be sent to you via email.

COURSE EVALUATION

Grades will be comprised of the following components:

Participation	25%
Two Individual Case Assignments (CA1, CA2)	40%
Take Home Final	35%
Total	100%

Participation. If you actively participate, you have a very good chance of getting a very good grade. My top priority is to encourage you to actively interact with the material in the course. I will be very enthusiastic about creating a dynamic, interactive discussion environment (think about our course as a discussion forum or arena rather than a formal lecture), and I will be looking to encourage and reward people who embrace the material and show enthusiasm and engagement in our discussions.

The participation grade is also determined in part by your attendance. If you do not attend, I cannot award participation credit for your classes missed. I will of course excuse absences that make sense to excuse (family emergencies, severe illnesses, etc).

By the way, to assist in developing a dynamic and interactive discussion environment as well as to provide strong incentives to prepare before class, I WILL COLD CALL STUDENTS FREQUENTLY, AND AT RANDOM. It's a key part of the class, and I very much believe it yields tremendous benefits in terms of the quality of discussion.

Please also note that classroom participation will be graded with an eye for quality comments rather than just quantity of contributions. I will particularly look to award higher participation grades for comments that are highly relevant, suggest thoughtful and logical analysis, and provide insight about the underlying theoretical mechanisms at play. I also tend to highly reward participation that sparks or enriches a back and forth debate between class members.

Individual Case Homework Assignments (CA). You are required to complete two individual case homework assignments where you will be asked to make recommendations to managers in a case. In your responses, I would advise you to identify the key strategic problems that the managers in the case must confront, analyze using the tools we have discussed in class, and use your analyses to develop and support recommendations to management.

Tips for CA's:

- Apply the tools we have discussed in class!
- Be as thorough as possible.
- Explain your logic. Walk the reader through your thought process. Thoroughly explain the causal links underlying your argument.
- Address both sides of the argument. List mitigating factors that possibly weaken your recommendations and address them.
- Only use facts in the case if they are relevant for your analysis.
- Use the appendices extensively. I read these first and then read the essay portion quickly afterwards.
- When you make your recommendations to management, use your analyses! Point to them, and use them to support your arguments.
- Conduct sensitivity analyses. If you did some quantitative analyses, change your assumptions and see how your conclusions change. You may want to present a few different scenarios.

Policies for CA assignments:

1. I won't accept late CAs (unless there are strong, convincing reasons to do so, in which case I will give partial credit). Turn them in early if possible!
2. CA assignments must be no longer than two pages (bullet point form is acceptable) + as many appendices as you like. You can feel free to move any analyses or discussion to an appendix. Please do not exceed two pages on the essay portion.
3. CA assignments must be typed in 12-point font with one-inch margins.

Take Home Final Exam. There will also be a take home final exam. The CA's are excellent preparation for the final.

ACADEMIC INTEGRITY

I expect you to follow University policy and submit your own work. The entire point of class is for you to think about things in new ways and to submit your own impressions and thoughts in your

assignments and exams. If you don't submit your own thoughts, the entire experience becomes pointless and you cheapen the experience for everyone involved. If a violation of the code of conduct occurs, the person responsible will be subject to University sanctions. Furthermore, I reserve the right to declare your work as unacceptable and assign a failing mark. In other words, don't cheat. It's absolutely stupid. I'm very serious about this. Don't do it.

LEARNING DIFFICULTIES

If you are having any difficulties with class (participating, assignments, keeping up), I want to know about it. Please tell me. In cases where students are exerting a sincere and solid effort but are having a hard time, I will do my best to help. If you are having problems, it is best for you and your grade to inform me as soon as possible, ie, before an assignment or an exam. If you tell me after the fact, there is little I can do.

FAIRNESS IN GRADING

I will do everything I 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. If your request is justified and if I determine that the points at stake are large enough that it could lead to a letter grade change, I will review your assignment at the end of the semester. No re-grading will occur before the end of the semester (besides obvious administrative errors).

That's it! I am very excited about the class, and I really hope you have fun with the course and enjoy it as much as I enjoy teaching it. Looking forward to our discussions!

COURSE SCHEDULE – SPRING 2018

Class	Date	Reading	Due
1	T 1/9	Course Introduction Reading: Note on Corporate Strategy; From Competitive Advantage to Corporate Strategy pages 1-10	
2	TH 1/11	RBV and Firm Boundaries Reading: Review “Looking Inside for Competitive Advantage” from your Core Strategy class (see instructions on next page if you need to access via OSU library); Competing on Resources; CM chapter 4 pages 87-104	
3	T 1/16	TCE and Firm Boundaries Reading: CM chapter 5 pages 115-135; How a Firm’s Capabilities Affect Boundary Decisions pages 137-140 Case: Klein Fisher Body – GM Revisited	
4	TH 1/18	Case on Unrelated Diversification Case: Vivendi	
5	T 1/23	Case on Related Diversification Case: Walt Disney Company: The Entertainment King	
6	TH 1/25	Nucleon Assignment Due	CA1
7	T 2/30	Modes of Diversification: Alliances Reading: When to Ally and When to Acquire; CM chapter 4 pages 104-112; Review How a Firm’s Capabilities Affect Boundary Decisions	
8	TH 2/1	Case on Alliances Case: Honda-Rover	
9	T 2/6	Modes of Diversification: Acquisitions Reading: Are You Paying Too Much for that Acquisition; CM chapter 4 pages 104-112; Review How a Firm’s Capabilities Affect Boundary Decisions	
10	TH 2/8	Case on Acquisitions Case: Daimler-Chrysler: Post Merger Integration	
11	T 2/13	American Rice Assignment Due	CA2
12	TH 2/15	Managing the Diversified Corporation Reading: CM: chapter 6; Jensen and Meckling 1990	
13	T 2/20	Case on Internal Governance Case: Alibaba Group	
14	TH 2/22	Review session Reading: To Diversify or not to Diversify	
		Take home final (Ebay in China)	