

The University of Western Ontario
Management and Organizational Studies

**Management and Organizational Studies 410b
Strategic Management**

Course Outline
January 2008 - April 2008

FACULTY Raymond Leduc
Room 2221 SSC
661-2111 Ext 84930
rleduc@uwo.ca

Office Hours Mon 1:00 pm – 4:00 pm
Tue 11:00 am – 2:00 pm
or by appointment

TIMETABLE

<u>Section</u>	<u>Day</u>	<u>Time</u>	<u>Location</u>
001	Wednesday Friday	8:30 am – 10:30 am 2:30 pm – 3:30 pm	Social Science Centre Room 3010 UCC McKellar Room
002	Tuesday Friday	3:30 pm – 5:30 pm 2:30 pm – 3:30 pm	Social Science Centre Room 3010 UCC McKellar Room
003	Tuesday Friday	1:30 pm – 3:30 pm 2:30 pm – 3:30 pm	Social Science Centre Room 3014 UCC McKellar Room
004	Wednesday Friday	3:30 pm – 5:30 pm 2:30 pm – 3:30 pm	Social Science Centre Room 3102 UCC McKellar Room
005	Thursday Friday	12:30 pm – 2:30 pm 2:30 pm – 3:30 pm	Social Science Centre Room 3102 UCC McKellar Room

COURSE OBJECTIVES

MOS 410 is designed to be a challenging and exciting capstone course for students completing their BMOS degree. It centres around the theme that a company can achieve sustained success if and only if managers:

- have an astute, timely game plan for running the company
- execute the plan effectively

The course integrates much of what has been studied throughout the BMOS degree and applies it to the study of the firm as a whole. The approach taken is a combination of readings, case analysis, class participation, and the business strategy competition.

The business strategy competition allows students the opportunity to put the theory into practice by requiring the teams (3 – 4 students per team) to make all the necessary marketing, financing, operating, and human resource decisions needed to compete in the global digital camera industry. The teams are in competition within an industry and are required to understand their own, as well as their competitors' strategy.

TEXTBOOK AND CASEBOOK REQUIREMENTS

Strategic Management – Creating Competitive Advantages
Canadian Edition
Dess, Lumpkin, Peridis
McGraw Hill
ISBN 0-07-092291-8

Textbook Website – www.mcgrawhill.ca/college/dess - then click on Student Edition link on left side of page

Casebook – This package contains 6 cases: Wal-Mart, Circuit City, PepsiCo, Southwest Airlines, Krispy Kreme Doughnuts, The Quaker Oats Company, Gatorade, and Snapple Beverage
ISBN 0070740488

Note: This casebook is bundled with the GloBus Business Strategy Game Registration Card. Registration is done on the GLoBus website

www.glo-bus.com

This is a new version of the Business Strategy Game therefore copies from the previous year will not work.

Note: Each student must purchase and register individually for the Business Strategy Competition in order to receive a grade for this portion of the course.

Note: King's University College and Huron University College are also offering this course. Make certain that you purchase the correct text, case package and business strategy game.

PREREQUISITES

Enrolment in the 4th year of the BMOS program.

EVALUATION

Midterm Examination	25%
Final Examination	40%
Business Strategy Competition*	20%
Participation**	<u>15%</u>
	<u>100%</u>

*** The grade for the competition will be a group mark. That is, everyone will receive the same grade unless there are indications from the peer evaluations that individual members do not deserve the same grade. In such cases, an individual's grade may be reduced.**

Note: The peer evaluation form is considered a mandatory part of the course requirement and it must be completed by Saturday March 15, 2008. If the form is not completed by this date then your individual business strategy grade will be reduced.

Everyone must put something in the "Additional Comments" section at the end of the evaluation. This could be as simple as "No problems" to a much more detailed explanation of why you gave the grade you did. If you do not put some comment in the "Additional Comments" section your individual strategy game grade will be reduced.

The results of the peer evaluations will also be used to determine whether or not everyone in the team receives the same final game grade.

Since the business you will be running is a public corporation, both the weekly and cumulative results of each group will be made available to the entire class. Therefore, the final standings and the final grade for the strategy competition will be known by the entire class.

The reason for the public disclosure is two fold. First, as mentioned above, each company is a publicly traded organization therefore there is a large amount of information that would normally be made available. Second, due to the nature of the competition, it is necessary to know your competitors' results in order to help shape your team's strategic decisions as well as to evaluate the strategy of the competition. Your final results are not just a function of what you do, but also of what your competition does.

**Regular participation is a key to the success of this course and as a result, it makes up a large part of the overall grade. Participation can take many forms such as:

- answering the assignment questions
- providing relevant background information based upon personal experiences
- relating current events linked to the material being discussed
- asking relevant questions
- providing clarification of points and issues

While regular attendance is important, it is not considered participation.

EXAMINATIONS

Students who fail to appear for an examination at the time set in the timetable will not be allowed to write the examination thus missed. Students should report this irregularity immediately to their Dean's office. They may, with the approval of the Chair of the Department concerned, petition the Dean for standing or permission to write a special examination. Petitions will be entertained only when they are submitted on compassionate grounds with supporting documents. See the current Western Academic Calendar.

POLICY ON SPECIAL EXAMINATIONS

1. Students with conflicts or students who are unable to write an exam based on compassionate grounds (supported by appropriate documents), may apply in writing prior to the exam to the course coordinator to be excused.
2. Students involved with approved out-of-town university activities during the scheduled mid-term exam may apply to the course coordinator for special proctoring privileges to write the mid-term exam.
3. Students who are excused from the writing of the mid-term exam will have the appropriate percentage of marks transferred to the weighting of the marks for the final exam.

NOTES

1. It is the student's responsibility to submit his or her own original written material in courses in this program. See the current Western Academic Calendar, "Scholastic Offences".
2. **Seeking help from previous years' strategy competition participants or from any other unapproved source is not allowed. If you have any questions you must ask your instructor. Seeking help from anyone or anywhere else will be considered the same as not submitting your own work and will be subject to the same academic sanctions as described above in Point #1.**
3. For a description of the process to be followed for mark/grade appeals see your professor.
4. The use of personal computers or any other electronic devices during examinations will not be permitted. However, financial calculators are permitted and are recommended for the course.
5. It is your responsibility to be familiar with the regulations and requirements as described in the Western Academic Calendar. While some of them have been highlighted in this course outline, it is by no means a complete list and you are bound by all of the rights and responsibilities described in the Western Academic Calendar. The calendar can be found at:

<http://www.registrar.uwo.ca/Calendars/index.cfm>

ADD/DROP DEADLINES

Tuesday January 15, 2008

Friday February 15, 2008

Last day to ADD a first term half course.

Last day to DROP a first term half course without academic penalty.

Course Outline

Class 1

Week of Jan 7 – 11

Required:

1. N/A

Topics:

1. Overview of Course
2. Lecture on Chapter 1 – Strategic Management – An Overview
3. Discussion of Business Strategy Competition
4. Organization of students into teams

The PowerPoint slides for each chapter are available on the course website – <http://rleduc.pageout.net>
Click on the MOS 410 link, then Course Content, then MOS 410.

Friday Class:

1. Organization of students not yet in teams
 2. Overview of program installation and decision making.
-

Class 2

Week of Jan 14 – 18

Reading: Chapters 2 and 3

Friday Class:

1. Review of practice decision results
2. Overview of how to prepare for the first real decision

Practice Decision (Year 6) is due by 6:00 p.m. on Wednesday Jan 16/08

Results will be available shortly after the deadline.

The practice decision results will be removed by 6:00 p.m. on Saturday Jan 19/08 in preparation for the first real decision which is due on Wednesday Jan 23/08 by 6:00 p.m.

Class 3
Week of Jan 21 – 25

Reading: Chapters 4 and 5

Assignment
Questions: N/A

Friday Class:
3. Guest speaker or work on strategy competition

Decision #1 (Year 6) is due by 6:00 p.m. on Wednesday Jan 23/08

Results will be available shortly after the deadline.

Class 4
Week of Jan 28 – Feb 1

Reading: Chapters 6 and 7

Assignment
Questions: N/A

Friday Class:
1. Guest speaker or work on strategy competition

Decision #2 (Year 7) is due by 6:00 p.m. on Wednesday Jan 30/08

Results will be available shortly after the deadline.

Class 5
Week of Feb 4 - Feb 8

Reading: Chapters 8 and 9
Guide to Case Analysis – see course website – <http://rleduc.pageout.net>

Case: Wal-Mart Stores Inc.: Dominating Global Retailing

Assignment
Questions:

1. What are the company's main resources/sources of competitive advantage? How have they delivered value? Are they sustainable?
2. What are the important principles that the company uses in managing its relationships with its suppliers? What alternative strategies might suppliers be able to employ to ensure their continued viability as a Wal-Mart supplier?
3. What are the best practices that the company has been able to transfer from its home operations to its ventures abroad? What are the practices that have not worked?

Friday Class:

1. Guest speaker or work on strategy competition

Decision #3 (Year 8) is due by 6:00 p.m. on Wednesday Feb 6/08

Results will be available shortly after the deadline.

Class 6
Week of Feb 11 – 15

Reading: Chapters 10 and 11

Case: Wal-Mart Stores Inc.: Dominating Global Retailing (continued)

Assignment
Questions:

1. What is your prognosis for the future success of Wal-Mart in the U.S. and abroad? What changes does the company have to make to ensure continued success?

Friday Class:

1. Guest speaker or work on strategy competition

Decision #4 (Year 9) is due by 6:00 p.m. on Wednesday Feb 13/08

Results will be available shortly after the deadline.

Midterm Examination
Saturday February 16, 2008
1:00 p.m. – 3:00 p.m.
Social Science Centre
Rooms 2020, 2024, 2028, 2032

The exam will be multiple choice covering the textbook material up to and including Class 6 as well as questions on the guest speakers' presentations.

Class 7
Week of Feb 18 – 22

Reading: Chapter 12

Case: Circuit City

Assignment

Questions:

1. To Be Announced

Friday Class:

1. Guest speaker or work on strategy competition

Decision #5 (Year 10) is due by 6:00 p.m. on Wednesday Feb 20/08

Results will be available shortly after the deadline.

Week of Feb 25 – Feb 29
Conference Week

Class 8
Week of Mar 3 - Mar 7

Reading: Chapter 13

Case: Circuit City (continued)

Assignment

Questions:

1. To Be Announced

Friday Class:

1. Guest speaker or work on strategy competition

Decision #6 (Year 11) is due by 6:00 p.m. on Wednesday Mar 5/08

Results will be available shortly after the deadline.

Class 9
Week of Mar 10 – 14

Case: PepsiCo's Acquisition of Quaker Oats

Assignment

Questions:

1. What is PepsiCo's new corporate strategy? Briefly identify the business strategies that PepsiCo is using in each of its consumer business segments – soft drinks, snack foods, Gatorade/Tropicana, and Quaker Foods North America.
2. What is your assessment of the long-term attractiveness of the industries represented in PepsiCo's business portfolio?
3. What is your assessment of the competitive strength of PepsiCo's different business units?
4. What does a BCG (Boston Consulting Group) matrix displaying PepsiCo's North American business units look like? Is the acquisition of Quaker Oats likely to result in more rapid growth in revenues and earnings for PepsiCo? Explain.
5. Does PepsiCo's portfolio exhibit good strategic fit? What value chain matchups and opportunities for skills transfer, cost sharing, etc do you see?
6. Does PepsiCo's portfolio exhibit good resource fit? What are the cash flow requirements of each segment? Which businesses are cash hogs and cash cows?
7. Did the spin off of PepsiCo's restaurants make good strategic sense? Why or why not?
8. Based on your analysis, what is your overall evaluation of PepsiCo's business portfolio in 2001?

Friday Class:

1. Guest speaker or work on strategy competition

Decision #7 (Year 12) is due by 6:00 p.m. on Wednesday Mar 12/08

Results will be available shortly after the deadline.

Note: The peer evaluations are due by 6:00 p.m. on Saturday March 15, 2008. If you the evaluations are not completed, then your individual strategy game grade will be reduced. Everyone must put something in the “Additional Comments” section at the end of the evaluation. This could be as simple as “No problems” to a much more detailed explanation of why you gave the grade you did. If you do not put some comment in the “Additional Comments” section your individual strategy game grade will be reduced.

The results of the peer evaluations will also be used to determine whether or not everyone in the team receives the same final game grade.

Class 10
Week of Mar 17 – 21

Case: PepsiCo’s Acquisition of Quaker Oats (continued)

Assignment
Questions:

1. What strategic actions should Steve Reinemund take to capitalize on the portfolio restructuring engineered by Roger Enrico? Are any further modifications to the portfolio worthy of consideration?

Friday Class:

1. Guest speaker or work on strategy competition

Decision #8 (Year 13) is due by 6:00 p.m. on Wednesday Mar 19/08

Results will be available shortly after the deadline.

Class 11
Week of Mar 24 – 28

Case: Krispy Kreme Doughnuts

Assignment
Questions:

1. What are the chief elements of Krispy Kreme's strategy? What evidence is there to indicate that the strategy is or is not working as well as it might?
2. What is your assessment of Krispy Kreme's financial performance? Is it really as good as it looks on the surface? Why or why not? What is the most profitable part of the business? Do you agree with the statement at the beginning of the case that "the numbers just don't work?"
3. What does a SWOT analysis reveal about the company's overall situation?
4. What is your assessment of Krispy Kreme's competitive strengths and weaknesses in comparison with key rivals? Please compare Krispy Kreme with its main competitors along the basis of the industry's key success factors.
5. On the basis of your assessment above, what do you think of Krispy Kreme's growth prospects? Just how good are they? What evidence supports your answer? What size growth rates in revenues and earnings do you believe Krispy Kreme can achieve over the next five years? What will have to happen for Krispy Kreme to realize its target of 25% growth in earnings when the revenue growth target is only 20%?
6. What major issues do you think that Krispy Kreme management needs to address?
7. What recommendations would you make to Krispy Kreme management to improve upon the strategy or otherwise sustain the company's growth and profitability?
8. Would you buy this company's stock? Why or why not? What size price-earnings ratio makes sense for a company with Krispy Kreme's potential? If 70 times earnings is too big, as some analysts claim, what p-e multiple does make sense? (Some financial analysts believe that the p-e ratio should be roughly equal to the growth in earnings per share—this is a popular metric that securities analysts use to gauge whether a company's stock price is overvalued or undervalued or reflective of "fair value.")

Friday Class:

1. Guest speaker or work on strategy competition

Decision #9 (Year 14) is due by 6:00 p.m. on Wednesday March 26, 2008

Results will be available shortly after the deadline.

NOTE: THE NEXT (AND FINAL) DECISION IS DUE ON SUNDAY MAR 30/08 BY 6:00 P.M.

**IMPORTANT NOTICE:
YOUR BUSINESS DOES NOT END AFTER THE NEXT DECISION THEREFORE YOU CANNOT MAKE WHAT ARE CONSIDERED TO BE "IRRATIONAL" DECISIONS**

SPEAK WITH YOUR INSTRUCTOR WITH REGARDS TO WHAT IS CONSIDERED IRRATIONAL.

**ANY DECISIONS DEEMED TO BE IRRATIONAL WILL BE
REVERSED AND THERE MAY BE ADDITIONAL
PENALTIES/COSTS IMPOSED**

Class 12
Week of Mar 31 – Apr 4

Case: Southwest Airlines 2005

Assignment
Questions:

1. Is the U.S. airline industry attractive? Why or why not?
2. Describe Southwest Airlines' strategy
3. Why is Southwest successful?
4. How easy would it be to imitate this strategy? Why or why not?
5. Is the strategy sustainable? Why or why not?
6. Should Southwest become an international airline? Why or why not?

Decision #10 (Year 15) is due by 6:00 p.m. on Sunday Mar 30/08

**Results will be presented during class on
Friday Apr 4/08**

Friday Class:

1. Final business strategy competition results will be presented
-

Class 13
Week of Apr 7 – 11

Assignment
Questions:

To Be Announced

Final Examination
See Registrar Site for Time and Location