

**Management and Organizational Studies 4410A (sec 650 – Distance Studies)
Strategic Management**

Course Outline (May – July 2009)
Instructor: John White

COURSE OBJECTIVES

MOS 4410 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

In an ever-changing environment, businesses need to have and maintain a strategy for sustainable, long-term performance. Through a combination of readings, case studies, and discussion, participants will be introduced to current business strategy theory and techniques. These theories and techniques will be applied to develop analytical skills, which in turn will allow a better understanding of business strategy and will enable participants to analyze, develop, and implement strategic plans.

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.

TEXTBOOK AND CASEBOOK REQUIREMENTS

Strategic Management: Creating Competitive Advantages
Canadian Edition
Dess, Lumpkin, Peredis
McGraw Hill (ISBN 0-07-092291-8)
Textbook website: www.mcgrawhill.ca/college/dess

Strategic Management (Business Strategy Case Package) for MOS410 online and Continuing Studies
McGraw Hill (ISBN 0-07-074035-6)

Note: Make certain that you **do not purchase** the Case-package which contains the pre-paid access to the Business Strategy Game. (The business strategy game is not used in the distance studies course)
The course is also being offered at King's University College and Huron University College. Make certain you purchase the correct text and case package.

PREREQUISITES

Enrolment in the 4th year of the BMOS program.

EVALUATION

| | |
|--------------------------|------------|
| Midterm Examination | 25% |
| Final Examination | 40% |
| Business Report Write-up | 20% |
| Participation | <u>15%</u> |

100%

BUSINESS REPORT WRITEUP

Students will be required to hand in a detailed report on a company within a particular industry. This will be done as a group exercise and the team lists, made up of 3 – 4 students randomly assigned, will be made available during the first week of class. Virtual-teams are a growing phenomenon in successful global companies and the group case will give the students an opportunity to learn to collaborate and work as a team on-line. The write up will be due by **3:00 p.m. on Friday July 10, 2009**. Details of the assignment including group composition, format of the report, length, late penalties, etc will be provided during the first week of the course.

PARTICIPATION

Participation represents a significant portion of the overall grade and marks will be assessed based upon two main activities: one will be through individual, weekly participation and the other will be in the form of two group case write ups during the course. Individual participation marks will be assessed based on weekly access to the course, weekly postings to answer the questions at the end of the chapters, weekly postings to answer the case questions posted in this outline, meaningful contributions to the case and chapter discussions, discussion topics listed at the start of the week on the course site, etc. Essentially, in order to do well in this area, you have to actively participate and contribute on a regular and meaningful way.

Participation can also include discussing interesting articles you find in the newspapers, business journals, or other reputable sources that relate either to the cases we will discuss or the strategy theory covered in the textbook.

Participation should be meaningful and not just consist of “me too” postings. If you have any question about what constitutes good participation, you can email me for clarification. This will represent 10 of the 15 total participation marks.

In addition to the individual participation contributions, each group will need to prepare and submit a brief (10 page maximum, double spaced excluding any exhibits you may wish to include) write-up on one of the cases covered in the course. You can decide as a group which case to prepare and the report is due by the Sunday before we begin to discuss the case online. For instance, if your group wanted to prepare the Wal-Mart case, then you would need to submit the write-up by Sunday May 17/09 since we would begin discussions of the case starting on Monday May 18/09.

Details on the format for the write-up will be posted on the course website as well as emailed to those who are registered in the course. This will represent 5 of the 15 participation marks.

EXAMINATIONS

Midterm Exam will assess the comprehension and knowledge gained by reading the textbook. The Final Examination will assess the knowledge as well as the effective application of these theories, methods and techniques to analyze a case and to develop and implement strategic plans.

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. For a description of the process to be followed for mark/grade appeals see your professor.
3. The use of personal computers during examinations will not be permitted. However, financial calculators are permitted and are recommended for the course.

ADD/DROP DEADLINES

Check Calendar/Registrar

Course Outline

Session 1 – May 4 to 8

Course Overview – review the course outline and evaluation system

Introductions

Group Composition and Hand in Information

- Case Write Up Details
- Group Report Details

Reading: Chapter 1 – Strategic Management – Overview

Chapter 1 Application Questions and Exercises – #4. You could also look at the vision and/or mission statements of any company for which you have worked. Were you motivated by these statements? Why or why not? What are your thoughts on Western's mission statement?

Session 2 – May 11 to 15

Reading: Chapters 2 and 3

Guide to Case Analysis – See course notes on website

Overview of Some Key Financial Ratios – See course notes on website

Assignment

Questions:

Using the Wal-Mart and Target Financial Statements from the course website, calculate the following ratios for each company. Note: for Wal-Mart sales and income growth calculations do the calculation for the 11 year period as well as for the consolidated period. For Target, use the Consolidated Statement of Operations (income statement) and Consolidated Statement of Financial Position (balance sheet) figures found on pages 42 and 43 of the Target Annual Report.

- Sales growth rate
- Income growth rate
- Age of receivables
- Age of payables
- Age of inventory

What conclusions and implications can you draw by looking at the ratios from the individual companies as well as by comparing the results of each company to each other?

Chapter 2 Application Questions and Exercises – #3

Chapter 3 Application Questions and Exercises – #4 In examining Western, do these activities support the university's mission statement? Why or why not?

While there is no shortage of university rankings, what does the Globe and Mail University Report Card (<http://www.theglobeandmail.com/generated/realtime/specialReportCard2005.html>) have to say about how well Western performs these activities? Are there activities that should be included but aren't? Are there activities that are listed but should not be?

Session 3 – May 18 to 22

Reading: Chapters 4 and 5

Chapter 4 Application Questions and Exercises – #4

Chapter 5 Application Questions and Exercises – #3

Case: Wal-Mart Stores Inc. Dominating Global Retailing

Assignment
Questions

1. Analyze and summarize how well Wal-Mart has addressed the first two areas identified on the Guide to Case Analysis: Identifying the vision and mission and identifying the strategic objectives. What areas are clearly identified and/or articulated? What areas are not?
2. What generic strategy is Wal-Mart pursuing? Does it make sense? Why or why not?
3. What conclusions can you draw about the domestic discount retailing industry? Is it an attractive place to be or not? What about the future? What are the key success factors?
4. What conclusions can you draw about the international discount retailing industry? Is it an attractive place to be or not? What about the future? What are the key success factors?

Session 4 – May 25 to 29

Reading: Chapter 6 and 7

Chapter 6 Application Questions and Exercises – #1

Chapter 7 Application Questions and Exercises – #3

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

Assignment
Questions (continued):

5. What conclusions can you draw concerning the competition Wal-Mart faces domestically versus the competition it faces internationally?
6. What are the company's resources/sources of competitive advantage? How have they delivered value? Are these sources sustainable? Why or why not?
7. Are they transferable to their international operations? Why or why not?
8. What are the important principles that the company uses in managing its relationships with its suppliers? What alternative strategies might the suppliers be able to employ to ensure their continued viability as a Wal-Mart supplier? Are these transferable to their international operations? Why or why not?
9. What is your prognosis for the future success of Wal-Mart in the US and abroad? What changes does the company have to make to ensure continued success?

Session 5 – June 1 to 5

Reading: Chapter 8 and 9

Chapter 8 Application Questions and Exercises – #1

Chapter 9 Application Questions and Exercises – #2

Case: PepsiCo's Acquisition of Quaker Oats

Assignment
Questions

1. How well has PepsiCo articulated its vision? Its strategic objectives?
2. What is PepsiCo's overall corporate strategy? Does it make sense? Why or why not?
3. 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. Do these strategies make sense? Why or why not?
4. PepsiCo currently has 4 distinct business segments, each of which could be analyzed as a separate case. For the rest of this week's analysis, just look at the North American soft drink part of the business.
5. Using the approach from "The Guide to Case Analysis", what is your assessment of the North American soft drink industry?
6. What are the conclusions and implications of your competitive analysis of the North American soft drink industry?
7. What are your conclusions and observations regarding the overall financial performance of PepsiCo as shown in Exhibit 1.
8. Based solely upon the financial information presented in Exhibit 1 did the spin off of PepsiCo's restaurants make good financial sense? Why or why not?
9. What are your conclusions and observations regarding the overall financial performance of the beverage segment of PepsiCo as shown in Exhibit 14 and as described in the case?

Session 6 – June 8 to 12

Reading: Chapters 10 and 11

Chapter 10 Application Questions and Exercises – #1

Chapter 11 Application Questions and Exercises – #1

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

Assignment
Questions

10. Repeat your work in Questions 5, 6, and 9 for the snack food segment of PepsiCo.
11. Using the BCG (Boston Consulting Group) matrix, plot the positions for each of the 4 major segments of PepsiCo. What is your assessment of the long term attractiveness of each of the segments? What is your assessment of the competitive strength of each of the business segments?
12. Does PepsiCo's portfolio exhibit good strategic fit? What value chain matchups and opportunities do you see?
13. Based on your analysis, what is your overall evaluation of PepsiCo's business portfolio in 2001?
14. Did the spin off of PepsiCo's restaurants make good strategic sense? Why or why not?
15. What recommendations would you make to Steve Reinemund?

Midterm Examination - Date: To be advised
TIME: To be advised (Duration 2 hours)
LOCATION: TBA

The midterm exam will consist of multiple choice questions taken solely from the textbook chapters 1 through 11. There will be no questions on the cases we have done up until now.

Session 7 – June 15 - 19

Reading: Chapter 12 and 13

Chapter 12 Application Questions and Exercises – #2
Chapter 13 Application Questions and Exercises – #2

Case: Southwest Airlines 2005

Assignment
Questions

1. Describe the vision and mission of Southwest Airlines.
2. What is Southwest's strategy? Does it make sense? Why or why not?
3. Is the US airline industry attractive? Explain.
4. Why is Southwest successful?
5. How easy would it be to imitate this strategy? Why or why not?
6. Is the strategy sustainable? Why or why not?
7. Should Southwest become an international airline? Why or why not?

Session 8 – June 22 to 26

Case: Krispy Kreme Donuts

Assignment
Questions

1. Using the Guide to Case Analysis, summarize Krispy Kreme in terms of the main categories. In particular, you may want to consider the following:
 - What is your assessment of Krispy Kreme's competitive strengths and weaknesses in comparison with key rivals?
 - 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?"
 - What does a SWOT analysis reveal about the company's overall situation?
 - 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%?
 - What major issues do you think that Krispy Kreme management needs to address?
 - What recommendations would you make to Krispy Kreme management to improve upon the strategy or otherwise sustain the company's growth and profitability?

Session 9 – June 29 to July 3

July 1 – Happy Canada Day!

Case: The Quaker Oats Company, Gatorade, and Snapple

Assignment
Questions

Prepare a report to Quaker Oats giving them your assessment of competitive conditions in the New Age beverage market and include recommendations for strategic actions the company can take to ensure a good return on its investment.

As a guideline to your analysis, you should consider, but not limit your discussion to:

- An industry analysis of the New Age beverage market that discusses its attractiveness and key success factors
- An analysis of possible matchups in the value chains of Snapple and Gatorade (Quaker's only other beverage product). Include any strengths or weaknesses you see in Snapple's resources and comment on what needs improvement.
- Assess whether or not the acquisition makes good strategic sense for Quaker and comment on the price paid. Was it a good deal or did they pay too much?
- In order to earn a reasonable return on the \$1.7 billion acquisition how many cases do they need to sell each year? Is this possible?

Session 10 – July 6 to 10

- **Submit group case report before 3:00 p.m. on Friday July 10/09**

Case: The Quaker Oats Company, Gatorade, and Snapple (Continued)

Session 11 – July 13 to 17

Case: Circuit City Stores Inc. : Strategic Dilemmas

Assignment
Question

As a consultant to Circuit City, prepare a set of recommendations to present to management that address the issues faced by the company. Your recommendations need to be supported by a thorough analysis. You can use the Guide to Case Analysis as a framework for preparing your report.

Session 12 – July 20 to 24

Case: Circuit City Stores Inc. : Strategic Dilemmas (Continued)

Plus: Any overall questions before the exam?

Final Examination (July 27 – 31)
Date: TBA, Time: TBA (duration 4 hours) Location: TBA
Note: See Registrar Site for final Date, Time and Location
