

## TENTATIVE

### MBA 752 - Strategic Management Spring 2008 Medina Campus, Walsh University

Dr. Ronald G. Fountain

**Office Hours:** Before class or at other times by appointment.

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### **COURSE DESCRIPTION:**

This is the capstone course of Walsh's MBA curriculum. The course integrates the topical material from the functional disciplines of Critical Thinking, Economics, Accounting, Finance, Marketing, and Management through the use of case and/or company analysis. The focus of this course is on integrating the theoretical and practical knowledge that you have acquired in previous courses and through experience with the skills needed to use that knowledge within a strategic context.

This course includes a comprehensive research project. You are expected to complete your research project by the end of the course so that all graduation requirements are completed. The research project will be a comprehensive case analysis of a targeted enterprise. Ideally your targeted company will be in the same industry as your current employer and will be a competitor to your employer. (The company/organization you pick, if NOT a competitor to your employer will require instructor approval.) This project will require application of theory and analytical techniques from across your preceding MBA coursework in a practice-based application environment.

### **TEXT: (required):**

Stanley Abraham	Strategic Planning: A Practical Guide for Competitive Success	Thompson / Southwestern	1st Edition	0-324-23255-1
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### **(recommended):**

- 1) Porter, Michael E. Competitive Strategy: Techniques for Analyzing Industries and Competitors, The Free Press, New York, 1980. (You should obtain and retain this text for your use post graduation. It is exceptional in terms of informing strategy development practices and strategic thinking. It remains the most important work available on competitive analysis.)

- 2) Subscriptions to business periodicals, e.g. Wall Street Journal, New York Times, Business Week, Fortune, The Economist, The Financial Times, etc. Students should subscribe to (and read) at least one of these publications, or develop a habit of reviewing the library's latest editions of same before class. See instructor for discounted student rates are available for some subscriptions.

### **COURSE BACKGROUND:**

Completion of all 600 level MBA degree program courses or permission of instructor.

### **COURSE PURPOSE:**

An objective of this course is to integrate strategic principles, methods, concepts, and theories from all functional areas. The course requires an understanding of the purposes and activities of each functional discipline you have studied to this point and the intra-organizational relationships between disparate those that are disparate. This also requires understanding and managing relationships with the external environment.

In summary, this course will necessarily blend the unique tools of strategic analysis and strategic thinking with more traditional practices for achieving an organization's objectives.

### **COURSE OBJECTIVES:**

It is important for the student's success in both the course and in the application of the lessons learned herein to develop a "feel" for the opportunities and problems that confront executive management. It is also important to be able to view disparate parts of an organization as elements of an integrated business system. Developing the capability to engage in systems thinking is essential to be an effective leader/manager. With that background and perspective, this course will stress application of functional skills and communication achieved through the preparation and presentation of executive level reports.

### **COURSE DESIGN:**

This course combines numerous pedagogical approaches. The primary one will be case analysis and your presentation of researched findings. This approach provides opportunities for you to develop and apply strategic and functional analytic skills, formulate strategic responses, and develop initiatives or campaigns for implementation.

This course is not devoted to problem identification and solution! However, it is intended to provide experience in assessing opportunities in markets, industries and in the enterprise that is the subject of your project.

The cases are expected to be action oriented. They are not intended to illustrate "good" or "bad" actions by the case characters. Cases merely portray a situation. The student's task for this course is to:

- 1) Identify and articulate the organization's goals and corresponding objectives by which the organization's effectiveness (OE) can be assessed. (These OE criteria should also articulate the basic values that the organization uses in decision-making and action-

- taking. One of your tasks will be to relate decision criteria commonly used in the organization to its stated goals and objectives. Are they the same?);
- 2) Identify the windows of opportunity and related threats present in the external environment which could impact the target organization, or any similar organization within the same industry;
  - 3) Identify the organization's competitive advantages and disadvantages and develop ways to sustain the former while overcoming the latter;
  - 4) Develop alternative policies and strategies to capture opportunities and to confront threats;
  - 5) Evaluate alternatives and select a set which you think will best improve the level of organizational effectiveness and value (e.g. optimizes progress on goals and objectives);
  - 6) Design and recommend realistic implementation programs.

It should be remembered that there are no "right" or "wrong" solutions to your case. Many logical proposals are possible and should be considered. Therefore, your thinking, ideas and analysis are important and should be injected into class discussions. If you participate, you'll learn how your approach fits the situation and/or might be improved. The key point is that your fellow students will also be learning from and teaching you. In summary, you'll get out of this course what you put into it, both in and outside of class.

### **COURSE REQUIREMENTS:**

1. Individual comprehensive cohesion case project, in several phases.
2. Executive Briefing of your analysis (in corresponding phases to #1 immediately above).
3. Participation in class discussion (Instructor assessment of class preparedness).

### **GRADING POLICY:**

Course grades will probably follow the following system; e.g., 90% or better = A; 80% = B, 70% = C, 60% = D, under 60% = F. The specific scale would be as follows:

A+	=	97, 98, 99, 100	C	=	73, 74, 75, 76
A	=	93, 94, 95, 96	C-	=	70, 71, 72
A-	=	90, 91, 92	D+	=	67, 68, 69
B+	=	87, 88, 89	D	=	63, 64, 65, 66
B	=	83, 84, 85, 86	D-	=	60, 61, 62
B-	=	80, 81, 82	F	=	0 - 59
C+	=	77, 78, 79			

**GRADE COMPONENTS:**

Course grades will be awarded based upon accumulation of points with a maximum of 1000 points available as follows:

a.	Individual, comprehensive cohesion case analysis in 5 installments (Data collection, selection, analysis, and evaluation ... <b>Phase 1 = 50,</b> <b>Phase 2 = 150, Phase 3 = 150, Phase 4 = 150, and Phase 5 = 100</b> )	600
b.	Cohesion Case Final Report (What is the meaning of all the data and analysis from a. above?)	300
c.	Individual participation during class, discussion of other students' cases, etc. (full letter grade)	<u>100</u>
	Total	1,000

**GRADE COMPONENTS:** (Explanation):

1. The individual comprehensive cohesion case will be completed in phases, with separate analysis and reports for each.
  - a. The **first** phase, (worth **50 points**) will analyze the company's "**organizational focus**" and provide a framework for enhancing organizational effectiveness in decision-making.
  - b. The **second** phase, (worth **150 points**) will provide an in-depth analysis of the **organization's external environment, including time line trend analysis** of strategic factors impacting the industry (ies) of concern.
  - c. The **third** phase, (worth **150 points**) will provide an in-depth analysis of the **organization's internal environment**, again **including time line trend analysis** of competitive advantage(s) and competitive disadvantage(s), **and** then **summarize** the key aspects of those **external and internal analyses**.
  - d. The **fourth** phase, (worth **150 points**) will **assess** how well the **current strategies** and **policies** are at achieving the desired outcomes (goals and objectives) of the enterprise.
  - e. The **fifth** phase, (worth **100 points**) will include developing **an implementation program** for the recommended strategy(ies).

Each of these phases requires the application of several analysis techniques, some of which will be new to you, likely seen first in this course, while others will come either from earlier coursework or from experience. (For more explanation about the phases, see the Appendix.)

**For each phase** of the analytical process identified above you will prepare an "**executive Briefing**" (EB) expressing your key findings and recommendations. This will consist of a PowerPoint Presentation highlighting only the key elements of your presentation. A copy of the PowerPoint slides, along with commentary explaining the slides (see PowerPoint manuals or the PPT Help function for how to do this) should be included with your related phase (1 through 5) of your report. Each of these PowerPoint briefings will be worth 30% to 40% of the phase total grade. Phase 1's EB will be worth 15 points, EB's for Phases 2, 3, and 4 ... 50 points each, Phase 5's EB ... 30 points.

The bulk of the “phase” report will include your discussion of your analytical work. This will follow the EB in the report. The analysis itself (spreadsheets, tables, worksheets, etc., must be included as appendices but can be handwritten if legible. Each item which is included as an appendix must be referenced in the written discussion section of the analysis.

This case will be an analysis of a competitor organization to your employer unless otherwise agreed upon between you and the Professor, in which case a suitable substitute will be determined. You should rely on public data and information. NO CONFIDENTIAL materials should be used since **your final report will be retained by the University** and will be available for public review. If you want a copy, please make one for yourself prior to final submission.

The **organization of sections of Phase reports** 1, 2, 3, 4, and 5 above will be as follows: *Executive Briefing* (EB), *discussion of analysis*, a “*rough analysis*” (including penciled analysis, excel spread sheets, etc., also indexed to easily locate pertinent materials); and “*raw data*”. Both the “rough analysis” and “raw data” sections should be arranged and indexed as fitting for your materials. You should also supplement them as additional analyses are completed (add “rough analysis” and “raw data” to the total report as Phases 2, 3, 4 and 5 are completed); These major sections will be placed into a 3 ring binder, in the order specified above, i.e. Executive briefing followed by Analysis Discussion, “rough analysis”, and “raw data”. There are 4 distinct sections per phase.

Remember, the Discussion of the Analysis will be **your** argument concerning those aspects of the analysis you found most relevant to developing and utilizing sustainable competitive advantages for the organization.

2. The **Final Report** is more than just a “cleaned up copy” of your cohesion case analysis. This should be prepared two ways. **First**, clean up the section reports as they are completed in stages, i.e., as you receive back the graded “number crunching” and basic analysis and executive briefing work. **Second**, an overall summary should be added to reflect any new insights you have gained about the company and what you believe is of greatest importance. The sections submitted under “1” above provide a piecemeal analysis, focusing upon isolated factors. In the Final Report you have the opportunity to highlight what revisions in priority should be made based upon your additional reflection.
3. **Individual class - participation**: Students are expected to be attentive to each presentation and to identify opportunities to improve the analysis presented by others. A critical skill of management is the evaluation of the work of other employees as well as communication of constructive criticism. This requires the identification of both strong and weak points of analysis and assessment of recommendations. Therefore, I expect you to be prepared to argue specific points of analysis and/or recommendations, based upon your understanding of the situation during class discussion

**SPECIAL NOTES:**

- 1) **WRITTEN WORK**  
All written work must be typed double spaced, 12 point Times New Roman (unless otherwise noted) and will be graded for content (what you say) and form/process (how you say it ... in English).
- 2) **DUE DATES**  
All materials are due in class on the day the material is presented.
- 3) **CLASS ATTENDANCE AND PARTICIPATION**  
Attendance at all class sessions is expected, especially class discussion of assigned cases.

Since participation in class discussions represents **10%** of your grade, you should contribute significantly to in-class discussions. You will be expected to be an active participant in dialogue and to make meaningful comments. Merely coming to class and accruing seat time is not sufficient; attendance alone should not be confused with participation.

**GENERAL NOTES:**

The above **OUTLINE** is for use in **ANALYSIS**. The five individual **CASE OUTLINE** assignments will include most or all of the above concepts. You will be demonstrating your individual degree of understanding of the methodologies used in analysis for Strategic Management.

**MBA 752  
Spring 2008  
Tentative Schedule  
Medina Campus**

<u>Class</u>	<u>Date</u>	<u>Topic/Activity/Collectibles</u>	<u>Homework for this class</u>
<b><i>Part One - Foundations of Strategic Management</i></b>			
1	3/4	Introduction to course and topic Overall Strategic Management process Review of Organizational Effectiveness Organizational Focus (mission, etc.)	Abraham* 1, 8  SAM <sup>tw</sup>
<b><i>Part Two - Understanding Strategic Environments</i></b>			
2	4/11	Environmental Analysis - External a. General distant factors b. Industry factors c. Discuss Comprehensive Cohesion Case Analysis	Abraham 3, 4
3	3/18	Environmental Analysis- Internal a. Resources & Capabilities b. Structure & Human Resources c. <b>CCCA - Phase 1</b>	Abraham 5  SAM <sup>tw</sup>
4	3/25	Environmental Analysis - Competitive Advantage a. Sources b. Cost and Differentiation c. <b>CCCA – Phase 2</b>	SAM <sup>tw</sup> SAM <sup>tw</sup> SAM <sup>tw</sup>
5	3/29 SA	<b>Leadership Series Day ... details to be announce</b>	
<b><i>Part Three - Strategy Formulation &amp; Implementation</i></b>			
6	4/1	Contextual Strategies a. Exploiting Competitive Advantage b. <b>CCCA – Phase 3</b>	Abraham 2 SAM <sup>tw</sup>
7	4/8	Contextual Strategies (continued) a. Exploiting Competitive Advantage (cont.) b. <b>CCCA – Phase 4</b>	Abraham 6 SAM <sup>tw</sup>
8	4/15	Corporate Strategies a. Global/ Multinational b. Diversification	Abraham 7
9	4/19 SA	Corporate Strategies (continued) and Implementation a. Making it all work	Abraham 9

b. **CCCA – Phase 5**SAM<sup>tw</sup>

10 4/22 SA Course Conclusion

- a. Strategic Futurism
- b. Administration – MBA CT Assessment
- c. **CCCA – Integrated Presentation of all phases (corrected and elaborated) – Final Report**

\* Abraham = Strategic Planning

APPENDIX  
**Strategic Management**  
**CASE ANALYSIS OUTLINE**

I. Phase One: **Organizational Focus**

A. **Purpose:** Identify general industry(ies) or line(s) of business. (Provide Standard Industrial Classification (SIC) codes where possible).

B. **Niche:** Identify the *unique market segment* that your target organization occupies within its industry(ies). The largest competitor may not have a niche, other than being the largest and covering the entire market. Many companies do not have a niche and try to compete "across the board". Such broad approaches require large size and extensive resources to succeed. If this is the case for the company being studied (no niche), are there any overlooked niches that you suggest might be considered and why?

C. **Vision:** Identify what the organization sees as its future state. What it would like to become, what it would like to be known as / known for, how do the organization's people view the organization's place in the future world?

D. **Goals:** What are the *long term, general accomplishments* this organization is pursuing (or seems to be pursuing)?

E. **Objectives:** What are the short-term, specific, *measurable targets* this organization has set relative to reaching the goals and what time deadlines, if any, have been set for their attainment?

F. **Risks to be confronted/overcome:** What are the variables that are *vital for survival in this industry*? Each SIC code has a unique set of such factors, which influence competitive advantage and profitability within that industry. For example, poor flight safety record is a killer for any competitor in the airline industry. Unsanitary conditions leading to the loss of an operating license is a killer in the restaurant industry. In many industries these killing influences relate to *safety* (e.g. accident rates for transportation, cure rate/death rate for health care, etc.) *customer service* (in the airline industry these include: lost bags, on-time arrivals, and complaints; in restaurants you might consider bad tasting food and surly wait staff), and/or *capacity utilization* (revenue-seat-miles for airlines, occupancy rates for hospitals, nursing homes, hotel/motel, airlines, buses, manufacturers, etc.)

**NOTE:** An organization's *Mission Statement* and/or *Vision Statement* might (but more likely will not) include all of the above. Such a *mission/vision statement* should NOT be used as a substitute for identification of the above factors, but rather as one source of information. Also, you should note the relationships between these factors, e.g. how does the purpose relate to the niche, the niche to the goals, the goals to the objectives / key success factors, etc. What is the WHY - HOW logic involved in moving up (why) or down (how) the list? Finally, on this section, and the following two sections, use case facts (quote the data and cite the source), interpret the facts, and draw your own conclusions. You are expected to present data in an understandable form. This should include a **table relating goals to objectives**.

**Strategic Environment Analysis**

II. Phase Two: **External Environment:** Includes all elements which are *beyond the control* of the organization, but which affect what the organization might be able to do. Explain how the factors you note could impact competitive practices in this industry.

1. **Competitive Elements:** Who are the key rivals? What are the rivals' competitive advantages and disadvantages and relative competitive positions? What might these rivals be

expected to do? (Use such tools as Competitor Analysis, Stakeholder Analysis, Enemies Check, etc.) A **TABLE competitors and contrasting various relevant factors is required**. The target company's (internal analysis) data should appear on this table.

2. **Industry Trends and Issues:** Where is the industry headed? Why? (What are the forces outside the industry that are causing this?) What are the strategic issues facing the industry? What are the market strengths of clients/ suppliers? What are the trends concerning substitutes and barriers to entry? (Use such tools as Porter's Five Forces Model, General survey of industry...industry analysts' reports, etc.) 3. **General Environment Concerns:** What are the general political, economic, technical, and socio-cultural forces and trends which impact the industry(ies) of this organization?

**NOTE:** Summarize the external analysis and *emphasize* reported past, current, and forecasted (your forecast) *trends*. The sole purpose of Phase IIA is to predict the future for this industry. You are **required to identify several (more than two) factors you consider critical and then plot the trend on these factors over the last five-year period**. The factors you consider critical are your organization's "opportunities" and your "threats".

### III. Phase Three: **Internal Environment:**

A. What are the current conditions inside the company that influence outcomes and what are their trends? What things does this organization have/ do that provide them a significant competitive advantage (Strengths)? What does this organization NOT do, or NOT have, which creates a significant advantage for competitors (Weaknesses)?

**NOTE:** Summarize the internal analysis (using IFE) and *emphasize* reported past, current, and forecasted (your forecast) *trends*. The sole purpose of Part IIB is to identify sustainable competitive advantages. A **TABLE comparing the target and rivals CA's and CD's is required**.

B. **Summarize Environmental Factor Analysis:** Develop SWOT profile. Relate SWOT factors to Part "I" above, e.g. analyze how the SWOT variables affect company performance on goals, objectives, Critical Success Factors (CSF), etc.

### IV. Phase Four: **Strategic Management**

A. **Current Strategy(ies):** What is the organization now doing? What are the overall (generic) strategies it is using? What "line of business" strategies are employed? How is this organization trying now to achieve its goals and objectives? What attention is being given to detrimental influences or threats? How do current SWOT factors support or interfere with the strategy(ies).

B. **Gap Analysis:** Given your results for Part 2 above and the organization's focus (Part One), will the organization perform well on achieving its objectives without changing strategies (III.A. above)? Plot five year trends on objectives to help answer why or why not?

C. **Formulate Alternative Strategies:** Develop alternatives and analyze pros and cons of each relative to the stated (or recommended) objectives (Phase 1 above). (Use such tools as Value Chain, SWOT Matrix, Cost /Benefit Analysis and/or other methods).

D. **Strategy Recommendations:** Which of the alternatives analyzed do you recommend and why? (Relate to Phase 1 above, particularly goals, objectives and detrimental influences. Recommend changes in Phase 1, also, if deemed necessary.) **NOTE: A table comparing pros and cons of each of the options against stated goals and objectives, with estimated dollar figures where relevant is required.**

V. Phase Five: **Implementation Recommendations:** What issues will need to be addressed during implementation of your recommended strategy? Why? (Relate to S&W factors of SWOT analysis developed above).

- A. **Tactics:** What specific actions should the organization take? What new resources will be needed, if any? How will these resources be obtained? What will the implementation of your proposals cost? (Use rough estimates). Why?
- B. **Schedules:** How do you suggest these recommendations be phased in? What sequence of activities (programs) do you advise? What deadlines do you recommend?
- C. **Internal Adjustments:** What changes to the organizational structure (reporting relations, decision points, reward systems, communication systems, controls, policies, rules, methods, job assignments, training, etc.) do you recommend? Why?
- D. **Organization Culture:** Does the value system need to change? Be reinforced? Are appropriate traditions, slogans, symbols being used?
- D. **Feedback and Control Systems:** How do you recommend that the business monitor its progress? Be specific.

**Additional Factors:** Identify any other considerations that you believe are fundamental to this organization moving forward with your proposals.