

STRATEGIC VISION AND ANALYSIS

TCU EXECUTIVE MBA PROGRAM

FALL 2014

Dr. Suzanne M. Carter
Associate Professor of Professional Practice
Strategic Management
Texas Christian University
M. J. Neeley School of Business

Phone: 817- 647-5449 (cell)
817 – 257-4301 (office)
email: s.carter@tcu.edu
Office: Tandy 284

Office Hours: Please feel free to contact me whenever you need to speak with me. I will generally reply to emails within 24 hours. You can reach me by my cell phone at 817-647-5449.

Required Materials: Reading packet of cases and articles.

Summary: This is the first part of an integrative course in the EMBA program that allows you to develop and hone strategic tools that you may use in subsequent courses and in your own businesses to address strategic issues. We will begin your EMBA education by developing an understanding of the big picture of Strategy and Strategic Leadership by studying other leaders who have grappled with what it means to be a Strategic Visionary. Strategy is about choice – making choices about what you will do, what you won't do, and carrying out those choices through your daily actions, as well as creating a structure that helps others to make similarly supportive choices. We will conduct strategic analyses at both industry and organizational levels.

The perspective that we will take in this course will typically be that of the general management of an organization. General Managers are those who are in the position to make strategic decisions for the firm. Note that such managers are not “generalists” in the sense that they need to know a little bit of everything, but not very much of anything. To be effective, general managers need to have an in-depth understanding of the generic problems in all the relevant functional areas. They must be able to deal with issues at the level of the corporation and the corresponding relationships with relevant external environments.

Functional specialists can benefit from the general management perspective. In fact, functional specialists are the people on whom general managers must rely to implement their strategies. Every function's actions should be coordinated with the overall needs of the business. Since these managers can be subject to other pressures, they too need to understand the general manager's perspective.

Strategic Vision and Analysis Course Overview

Part 1: Strategic Management and Your Role in It

Session 1: What is Strategy and how can I make things happen?

Session 2: Competitive and Industry Analysis – Looking outside ourselves

Part 2: Understanding the Big Picture – Inside and Outside

Session 3: Analyzing the Organization – What have we got and how does it help?

Session 4: Becoming a Strategic Leader: Creating a vision to share with others

Components of the Course

Successful general managers are highly competent in problem identification and analysis and have a strong action orientation. We will explore and apply several analytical techniques for positioning a firm or a business unit within a competitive environment, understanding, however, that strategic analyses are complicated by the trade-offs inherent in any situation. These trade-offs reflect the fact that organizations consist of many players with multiple, competing objectives. When dealing with these trade-offs, general managers must confront the judgmental issues involved in establishing organizational vision and purpose as well as balancing economic and non-economic objectives. To the extent possible in each class, we will attempt to balance these trade-offs and to test our ideas about the appropriate relationships among them.

Strategic management requires moving beyond analysis and trade-offs into the realm of strategic action. Once the analytical problem of selecting a business or corporate strategy has been dealt with, we should know what to do. Knowing how to execute the selected strategy is essential to success. To the extent possible in each case, we will concern ourselves with the various combinations of systems (for example, information, control, reward, etc.), organization structures, and people necessary to execute a given strategy. We will test our ideas about the relationships between strategy and these other elements as we proceed through the course. I ask you to continue to consider these strategic decision making issues as you progress through the EMBA courses here at TCU. We will address many of these issues in greater detail in the Strategy in a Dynamic Environment course held at the end of the EMBA program after you have had the opportunity to consider and challenge these concepts through your other coursework.

Course Objectives

My course objectives include:

1. Develop and reinforce a general management point of view—the capacity to view the firm from an overall perspective in the context of its environment – to see the ‘big picture.’
2. Develop an understanding of fundamental concepts in strategic management: the role of the general manager, the role of the strategic visionary, the importance of competitive and industry analysis, and organizational resource and capabilities identification and appropriation.
3. Develop an awareness of the various impacts of external environmental forces on business and corporate strategy.
4. Practice working out vision and mission statements and business strategy development.
5. Highlighting and emphasizing several key leadership competencies necessary to be an effective strategic leader. Specifically:
 - 1) Perspective
 - 2) Managing Vision and Purpose
 - 3) Strategic Agility
 - 4) Business Acumen
 - 5) Dealing with Ambiguity

Typical Class Session

This is a case-based class. Please read the Appendix at the back of this syllabus, “Why we use the case method” to further your understanding of why this method is effective and how to best prepare for class. In addition to the case discussions in class, I will assign background readings from various articles that are relevant to our learning and discussions, typically Harvard Business Review articles. I will not typically lecture on these background readings, but instead I expect you to use those readings to inform and complement the discussions in class and your written project work. Therefore, a thorough reading and analysis of this background material will be expected prior to the class session it is assigned.

A typical class will often consist first of a discussion of *Wall Street Journal* articles that are relevant to our topics at hand. We will then turn to a discussion of the assigned case, and spend the majority of the session analyzing and learning from that shared context. We will have the opportunity to relate those learning tools to your own situations, company, and industry contexts. I will then cover a set of relevant topics for that day and focus on key take-aways that should be reflected upon based on your own interests.

Performance Measures and Feedback

My evaluation of your performance will be based on four main criteria: class contribution, an individual assignment, a group case project, and a strategic project prospectus.

Class Contribution (30%)

In a typical class, I will ask one or more students to start the case by answering a specific question or discussing a specific issue. Preparation of the case (including the assignment questions) and associated readings should be sufficient to handle such a leadoff assignment (no written analysis to be turned in). After a few minutes of initial analysis, I will open the discussion to the rest of the class. As a group, we will then try to complete the analysis of the situation and address the problems and issues presented in the case. We will also spend time talking about the implementation of those recommendations and some of the complexities of effecting change in those situations.

Most general managers have very little time to spend reading and even less time to spend writing reports. The vast majority of their interactions with others are verbal. For this reason, the development of verbal skills is a high priority in this course. The classroom is a laboratory in which you can test your ability to convince your peers of the correctness of your approach to complex problems, and of your ability to achieve the desired results with that approach. Some of the factors that have an impact on effective class contribution are the following:

1. Is the participant a good listener?
2. Are the points that are made relevant to the discussion? Are they linked to the comments of others?
3. Do the comments add to our understanding of the situation?
4. Do the comments show evidence of analysis of the case?
5. Does the participant distinguish among different kinds of data (that is, facts, opinions, beliefs, concepts, etc.)?
6. Is there a willingness to test new ideas, or are all comments “safe”? (For example, repetition of case facts without analysis and conclusions or a comment already made by a colleague.)
7. Do comments clarify and highlight the important aspects of earlier comments and lead to a clearer statement of the concepts being covered?
8. Does the student ask questions rather than limit participation to others’ questions?

The questions above deal with both the process of class contribution and (of equal or greater concern) the *content* of what you say. Class contribution will be a major portion of your grade in this course. Because quality class contribution figures prominently in this course, the TCU Honor Code mandates that you not rely on notes, handouts, or cases from students who have taken this course previously. I will note class contribution during and after each class discussion. I evaluate you on a scale of 0-4 where 0 is absent, 1 is little to no effective interaction, 2 is contributes adequately to the discussion, 3 is provides above-average contribution, and 4 is provides outstanding insights. At the session’s end, I then sum those points and force a distribution that typically ranges from 70 to 100, but the bottom range often changes based on overall class contribution.

Strategy is an interactive process, typically one improved over time through a ‘learning by doing’ approach, and I expect each of you to take responsibility for actively engaging in the learning process. We can all learn from someone else in the class, and the more comments,

questioning, reasoning, and overall conversations held during our classes the richer the learning experience will be. Attendance, of course, is critical to obtaining this level of learning, and therefore, will be a substantive portion of your final class contribution grade.

Written Assignments for this course:

There will be three pieces of written work required for this course, an individual assignment, one with your study group, and a strategic project prospectus. Each is described in detail below. The individual assignment will be distributed the first weekend we are together. The study group assignment and the prospectus are due a week after class concludes. All written assignments are processed through TURNITIN, a plagiarism detection application run through ecollege. Your turnitin score must equal 30% or lower to meet the obligations of the course.

Individual Case Assignment (30%)

I will hand out a case assignment on **Saturday August 23rd** that is **due on Wednesday September 3 at 9am** via the dropbox in ecollege under individual case assignment. Be sure to include your name on your document. **PLEASE SUBMIT THIS PAPER IN PDF FORMAT. Please name your pdf file beginning with your last name. e.g., Carter case assignment one.pdf**

The following are details that should be noted for your written assignments:

DO NOT DO ANY OUTSIDE RESEARCH EXCEPT AS I NOTE IN CLASS. The case is best written from the point of view of an outside consultant writing to the general manager within the organization in question. This written assignment is a case analysis consisting of three parts – **an executive summary, a full analysis and supporting exhibits.** The executive summary is a one-page memorandum that should indicate your overall evaluation including recommendations - that is developed with the tenets of logic, precision, parsimony, specificity, and good grammar. “Bullet sentences” are only acceptable if their meaning is unequivocal and specific. (For instance, a bullet stating, “increase sales” is unacceptable. In such an instance, you should state which products you want to increase the sales of, how much the increase should be, and how you will achieve the increase.) **The executive summary should be constructed after completion of your full analysis.**

The second part of the paper concerns the full evaluation and set of recommendations formed from your analysis. This part of the paper should be no longer than **1200 words** that are carefully constructed to show a logical flow and integrated set of thoughts about the case. Guard carefully against undocumented assertions, failing to examine the monetary (and other resource) implications, neglecting to consider trade-offs and priorities, and against a lack of consideration for the implementation issues. You will need more than one draft in order to achieve the clarity, consistency, and structure necessary. Please remember that your goal is not to summarize, but to analyze and present recommendations.

The third part of the paper includes a number of **original (meaning you have created them using the specific frameworks and/or tools we have touched on in class)** exhibits in which you show the **application of specific tools** (e.g., strategy diamond, SWOT analysis, cash flow analysis, competitor and/or industry analysis, etc.) Be sure that the exhibits are understandable for a busy executive and that they summarize your key conclusions, which you have used in the

second part of the paper to build your complete analysis. You may use as many exhibits as you deem necessary. Make sure you refer to these exhibits in the appropriate places in the analysis part of the paper.

Study Group Case Analysis (35%)

The group case assignment will be in the same format as the individual project assignment noted above. Your group assignment is due on **Saturday, September 13 at 5 p.m.**; it will be distributed on **Friday, September 5th**. For matters of style, please refer to the checklist distributed with the case that I use as a framework for providing feedback on your written work. Please designate one person to submit this assignment in the Pearson Learning Studio dropbox for this course under Group Case Analysis in pdf form. Include your Group Number in the pdf file name.

Individual Strategy Project Prospectus (5%)

You will be required to submit an individual strategy project within the second part of the strategy courses in December 2015. In order to get you thinking about this project and what you would like to incorporate within it, you will be required to submit to me a two-page prospectus of your project by **11pm on Sunday, September 14, 2014**.

The comprehensive written assignment that will be completed by December 2015 offers you the opportunity to identify, consider in depth, and address a fundamental strategic issue that you believe that your organization will face in the next five or so years. The issue you choose to write about is up to you. This definition is purposely open-ended to allow each person to consider a strategic issue most salient for the firm in which they are vitally interested. I'm anxious for you to use this assignment to explore creatively an aspect of your organization that you find particularly important and interesting. My belief is that you should choose an issue that is strategically salient and for which your analysis and study has the potential to materially affect the success and destiny of your organization.

Although the definition of the strategic issue is up to you, examples for any particular organization might include business strategy content, corporate portfolio mix, executive succession, strategic management processes, responding to technological change, major shift in customer needs or capabilities, globalization of the industry, structural or process change requirements, changing workforce capabilities, industry and environmental changes and their impact on your business, strategic vision statements, etc.

In this assignment, I expect you to be a problem finder as well as a problem solver. I am interested in how you identify and define an issue. In addition, I expect you to make a reasoned, well-argued prediction of the potential impact of the issue, address ways in which it can be dealt with, identify the impact of those actions on the organization as well as the issue, and address the implications for managers who choose to ignore it. Beyond considering the strategic (and operating) implications of any issue you choose, your paper should address extant theories that may prove useful to your organization in understanding the issue, addressing the issue, or coping with the consequences of their actions. **It is essential that you integrate, whenever possible, the perspectives and considerations set forth in the Harvard Business articles that are assigned for this class and the frameworks that we use within classroom instruction.**

Sources of data for this paper are at your discretion. Clearly, field data from interviews and public and corporate documents will be important sources of information. Beyond this, I expect you to link your observations, findings, and recommendations to the theories and concepts you find appropriate from those we discuss in this class or in other classes. “Arm chaired” analyses and recommendations without conceptual backup are not very powerful. They are neither analytically complete nor do they reflect an understanding of the subtleties that would increase the likelihood that your recommendations will address the issue you have identified. Appropriately reference your sources in the paper. Interviews where anonymity was promised can be referenced accordingly. In the event that proprietary information is necessary for your paper, I will gladly sign a nondisclosure agreement.

The completed project is not due until **December 2015**. However, in order for you to begin to consider what you would like to study for this project, and to give you time to adequately prepare and complete this project, **I would like you to submit to me a two-page prospectus of your study by 11pm Sunday, September 14, 2014**. Submit this prospectus [via](#) the dropbox in Pearson Learning Studio. **Please submit the prospectus in PDF form with your name in the title of the pdf file.** The prospectus must present a clear statement of the strategic issue you have chosen, why you chose it, and the plan of study you propose. I will return the prospectus with my comments by email. I understand that within the course of the next year you may find other interests and issues more compelling and may choose to change your project. You are welcome to do so – the prospectus assignment is only used to encourage you to begin thinking about your ultimate project.

The actual paper (not due until December of next year), will be limited to twenty-five pages of text, double-spaced with normal margins. Note that it is not necessary to write twenty-five pages. Any exhibits you find appropriate to include are in addition to this. Do not forget to reference your sources properly. The paper should include a one-page executive summary of the observations, recommendations, and conclusions in your paper. We will, of course, discuss this assignment in greater detail next October.

Grading Policies: Your grade for the course will be based on the following components:

Class Contribution	30%
Individual case assignment	30%
Study group case analysis	35%
Individual strategy prospectus	<u>5%</u>
	100%

The grade distribution for final grades will be as follows:

A	94-100
A-	90-93
B+	87-89
B	84-86
B-	80-83
C+	77-79
C	74-76

C-	70-73
D+	67-69
D	64-66
D-	60-63
F	0-59

STUDENT SERVICES:

Disabilities Statement: Texas Christian University complies with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 regarding students with disabilities. Eligible students seeking accommodations should contact the Coordinator of Student Disabilities Services in the Center for Academic Services located in Sadler Hall, 11. Accommodations are not retroactive, therefore, students should contact the Coordinator as soon as possible in the term for which they are seeking accommodations. Further information can be obtained from the Center for Academic Services, TCU Box 297710, Fort Worth, TX 76129, or at (817) 257-7486.

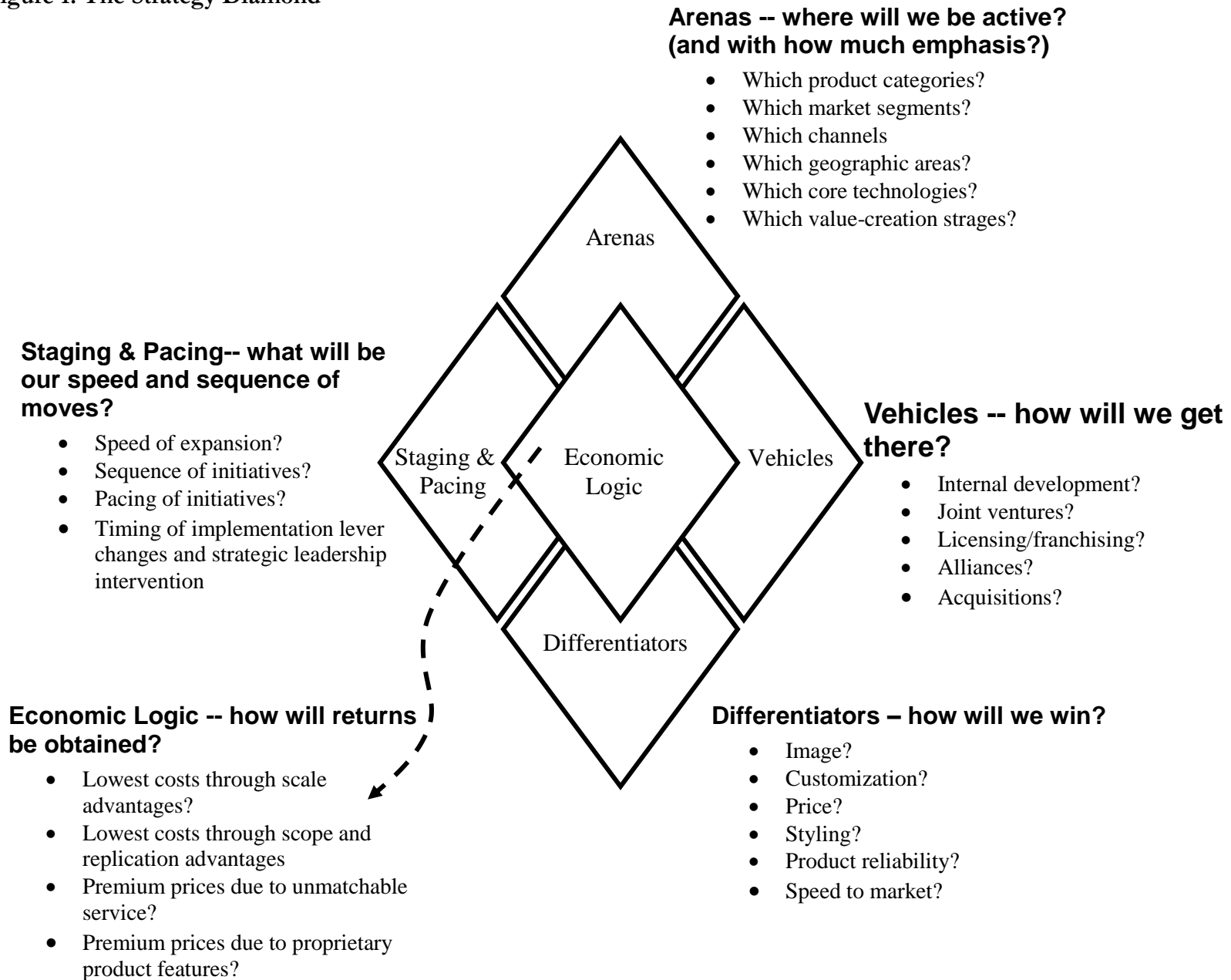
TCU Mission: *To educate individuals to think and act as ethical leaders and responsible citizens in the global community.*

Other Administrative Details

Since faculty members tend to have somewhat different expectations as to class behavior and course norms, I would like to outline a few of my expectations concerning such matters.

1. I plan to be prepared for every class and I expect you will do the same. Since I frequently call on individuals whose hands are not raised, you should let me know before the start of the class if some emergency has made it impossible for you to be prepared adequately.
2. Group work is acceptable and encouraged for purposes of general case preparation. However, the individual written assignment must be solely your own work. For the individual written assignment, use of study groups or discussing the assignment with anyone else is a violation of the Honor Code. Also, for the group case assignment, any discussions of the case outside of your immediate group will be considered a violation of the honor code.
3. Late papers will accepted at full credit only in the event of personal emergency that has been communicated with me ASAP, preferably prior to the due date. **Other late assignments will be penalized 10% initially and an additional 5 points for each subsequent day past the assigned date.**
4. **Please turn cell phones to vibrate and turn off live web-access during our sessions together.** These external distractions disrupt class and lower the quality of our interactions. If you need to reply to someone during class, please step outside of the classroom to do so.

Figure 1: The Strategy Diamond



Fall 2014 – Detailed Course Calendar and Assignments
Friday, August 22, 2014

The purpose of these first two sessions is to get a sense of your own goals and objectives related to strategy and the course and begin to develop and hone your analysis skills. Strategic planning is pretty common-sense, but it is often the case that the strategic plan is not valued by the employees of the firm, or in those cases where it is productive, it is not linked to the actions or performance measures of the company. By the end of Session 2 tomorrow, I hope you have a clearer understanding of what strategy is and what it is not. Furthermore, I hope that you can see the connections (or disconnects) between strategy and your own organization's current strategy planning process. I hope you also understand industry analysis and its importance as the underlying driver of profitability and its relevance to strategic management.

Session 1: What is Strategy and how can I make things happen?

Readings: Syllabus and Appendix: The Use of Cases in Strategic Management

Porter, "What is Strategy?" Harvard Business Review, February 2000.

Hambrick and Fredrickson, "Are You Sure You Have a Strategy?" Academy of Management Executive, November 2001

Collis and Rukstad, "Can You Say What Your Strategy Is?" Harvard Business Review, April 2008.

Cases: Introductory Note to DAAG Europe (HBS9-374-036) AND

DAAG Europe (A) (HBS9-374-037)

Robert Pelz has spent several years translating the strategic vision he has for his firm into reality. However, as this evolves, he encounters several problems at the corporate, divisional, and subsidiary levels. We will focus on how general managers balance their situations as they simultaneously try to manage their strategy, their part of the organization, and their careers.

Preparation Questions:

1. How did DAAG Europe arrive at its present difficulties?
2. What actions should corporate management take?
3. What should Dr. Pelz do?
4. Appraise Dr. Pelz as a Manager.

Fall 2014 – Detailed Course Calendar and Assignments
Saturday, August 23, 2014

Session 2: Competitive and Industry Analysis – Looking outside ourselves

Reading: Porter, “The Five Competitive Forces that Shape Strategy,” Harvard Business Review, January 2008.

Gavetti and Rivkin, “How Strategists Really Think,” Harvard Business Review, April, 2005.

Case: Cola Wars Continue: Coke and Pepsi in 2010 – HBS 9-711-462

Formulating a successful competitive strategy requires an analysis of industry structure, as well as actions that attempt to create a competitive advantage. Naturally, one’s competitors are often trying to gain a similar such advantage and with the passage of time, the competitive behavior of firms can have a profound effect on the evolution and structure of an industry.

This case is the most recent in a series of cases that have been written over the past two decades that chronicle the competition between Coke and Pepsi over nearly a century. During this time, the two firms have competed for a “throat share” in the world’s beverage market. But even while competing with one another, there have been extended periods when Coke and Pepsi managed to experience annual growth of approximately 10%.

In more recent years, however, per-capita consumption of carbonated soft drinks in the US has not grown. Moreover, with the arrival of the 21st century, this ‘cola war’ moved to a new stage and both Coke and Pepsi have modified their strategies in an attempt to deal with industry changes. Top executives at both companies were asking whether their long history of growth and profitability were finally coming to an end. Our goal is to try to answer that question, and in so doing, understand some of the critical features of this industry and competition.

Preparation Questions:

1. Why, historically, has the soft drink industry been so profitable?
2. Compare the economics of the concentrate business to that of the bottling business. Why is the profitability so different?
3. How has the competition between Coke and Pepsi affected the industry’s profits?
4. Can Coke and Pepsi sustain their profits in the wake of flattening demand and the growing popularity of non-CSD?

INDIVIDUAL PAPER CASES WILL BE HANDED OUT AT THE END OF CLASS TODAY.

Fall 2014 – Detailed Course Calendar and Assignments
Friday, September 5, 2014

Session 3: Analyzing the Organization – What have we got and how does it help?

Readings: (skim only) Collis and Montgomery, “Competing on Resources,” Harvard Business Review, July-August 2008.

Porter and Kramer, “Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility,” Harvard Business Review, December 2006.

Cases: Wal-Mart Stores: “Every-day low prices” in China (HKU590)

In this session we will discuss sustainable advantage using the context of the world’s largest retailer – Wal-Mart. Competitive advantages can be built on a variety of factors, but those that are sustainable are typically built on some distinctive competence possessed by a firm and which are difficult for others to copy. Among the issues that we will discuss are the multiple sources of sustainable advantages – both tangible and intangible – and the risks inherent in entering business that may not offer the same advantages.

Preparation Questions

1. What are the sources of Wal-Mart’s competitive advantage in discount retailing in the U.S. market?
2. How sustainable will their position be in the future?
3. Should Wal-Mart replicate its domestic model in its original form in China? Why? How transferable are its historical advantages to the Chinese market?
4. Provide suggestions on potential strategies Wal-Mart-China should consider in going forward. Defend your recommendations.

GROUP CASE ASSIGNMENTS WILL BE HANDED OUT TODAY AT THE END OF CLASS.
YOU WILL USE YOUR REGULAR STUDY GROUPS FOR THIS PROJECT.

Fall 2014 – Detailed Course Calendar and Assignments
Saturday September 6, 2014

Session 4: Becoming a Strategic Leader: Creating a vision to share with others

Readings:

Collins & Porras “Building Your Company’s Vision,” Harvard Business Review.
September-October 1996.

Organizational Alignment: The 7-S Model, Note” Harvard Business School, 9-497-045.

Gosling & Mintzberg*, “The 5 Minds of the Manager”, Harvard Business Review,
November 2003.

*As you read the above article reflect individually on the following questions:
Do you feel as if you are more naturally inclined to one or two of these five
minds? If so, which ones? How do you feel this natural inclination (or lack
thereof) affects your ability to lead strategically?

Case: Charlotte Beers at Ogilvy & Mather Worldwide (A) (HBS9-495-031)

After reading the case, ask yourself whether Beers has put all the pieces into place to support her vision and new strategy – what pieces are missing?

Preparation Questions:

1. What is Beers trying to accomplish as CEO of Ogilvy and Mather Worldwide?
2. What is your assessment of the vision?
3. What is your assessment of the process Beers and her team went through to create the vision?
4. What are the key challenges facing Beers at the end of the case?
5. What are the key strengths and weaknesses of the implementation tools for the issues facing Beers?