



Management

STRATEGY IN A DYNAMIC ENVIRONMENT
TCU EXECUTIVE MBA PROGRAM
MAN 65063
FALL 2014

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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 second part of an integrative course designed for the EMBA program that allows the student to bring together many of the tools presented in various courses to address strategic issues. This second course allows the students to dig deeper into the strategic decision process by exploring each of the strategy diamond facets, developing a greater understanding of strategy at the business level, corporate level and global level of the company, and conducting exercises that tie all of the analytical tools to action oriented implementation efforts.

Components of the Course

The first semester class provided an overview for which you could begin the big picture thinking necessary for agile strategic leadership. This class will focus more specifically on how to make decisions which will carry the company in the direction you want to take it, by focusing beyond the analysis to the “what to do” part of the strategic decision making process.

Knowing how to execute any selected strategy is essential to success. The major component in this course is a self-directed project concerning a critical strategic issue in your company or life.

Strategy in a Dynamic Environment Course Overview

Weekend One:

1. Agile Strategic Leadership and Your Role in Implementing Strategic Change

Session 1: How to Effect a Strategic Change in your Organization

Session 2: Big Picture Thinking- Building your Framework

Weekend Two:

2. Analyzing the Environment and Making Sound Strategic Decisions

Session 3: Organizational Fit and Strategy Execution

Session 4: Competitive Dynamics, Corporate Governance and Changing Arenas

Weekend Three:

3. External and Internal Analysis and Strategy Diamond Facets – Digging Deeper

Session 5: Vehicles - Mergers and Acquisitions and Corporate Level Strategy

Session 6: Differentiators – Sustainable and Innovative Business Models

Weekend Four:

4. Inspiring Others to Travel the Strategic Path to Sustainable Competitive Advantage

Session 7: Corporate Renewal - Staging and Pacing and Economic Logic

Session 8: Leading Your Organization Effectively – The Bigger Picture

Course Objectives

1. Reinforcing further the general management point of view—and its relevance to strategic leaders as well as the ethical dimension of leadership.
2. Developing in-depth understanding of key concepts of industry structure, competitive dynamics, and the role of decision makers in shaping an industry's attractiveness.
3. Integrating the knowledge gained in previous courses and understanding what part of that knowledge is useful to general managers and big picture thinking.
4. Developing skills and knowledge particular to managing change and encouraging innovativeness within organizational design and transformation.
5. Developing a working knowledge of concepts related to business level, corporate level and global level strategic decisions. Being able to distinguish each of the decisions and recognize the importance of each.
6. Continuing to develop strategic leadership competencies, included, but not limited to:
 - 1) Perspective
 - 2) Organizational Agility
 - 3) Innovation Management
 - 4) Dealing with Ambiguity
 - 5) Decision Quality

Performance Measures and Feedback

Assignments for Strategy in a Dynamic Environment

My evaluation of your performance will be based on three main criteria: class contribution, a group project, and an individual final project.

Class Contribution – 30%

Class contribution will be graded similarly to the first Strategy course. As a reminder, 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 grade class contribution on a scale of 0-4 for each class period, where 0 is absent, 1 is present (or excused absence), 2 contributes something of minor benefit to the discussion, 3 contributes a key insight to the class, and 4 makes an exceptional contribution to the class discussion. At class-end, I then sum those points and force a distribution that typically ranges from 70 to 100.

Attendance will be a substantive portion of your final class contribution grade, and any absences should be discussed with me in advance.

Study Group Big Picture Analysis and Presentation – 30%

This is an assignment that will be started during Session 2 with time allotted during class to begin your project with your team members. You will then, during our last session together (**December 6, afternoon**) present to the class this assignment through a set of original power point slides which your team has designed to illustrate the frameworks and tools learned and used throughout the program and where these tools fit in the Big Picture of Strategy and Strategic Leadership. **Your group assignment power point slides are due to me via email by our 7th session together.**

Individual Strategy Project - 40%

This written assignment offers you the opportunity to identify, consider in depth, and address a fundamental strategic issue that you believe that you or 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 their 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 or department.

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 or changing workforce capabilities. **Please remember to develop and frame your issue and project within an overall strategic perspective. Indicate clearly how your**

issue is strategic in nature and use models and frameworks from this course as well as the first strategy course to develop your project and to place it in its bigger context.

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 the 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.

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. If your project has changed substantially since our first class, please resubmit a one page prospectus to me by October 26 via email.

Elevator Pitch. You will prepare for me an elevator pitch of your project that will consist of a handout and a two minute oral presentation regarding the strategic nature of the project (no slides) that you will present to me one-on-one during individual meetings held in Session 2, October 17th. We will discuss any “to-do’s” at that meeting.

The final paper is due no later than **Tuesday, December 2, at 9pm.** Late papers will be accepted without penalty only in the event of personal emergency. There is an initial 5% penalty for any unexcused late assignment, and an additional 5% per calendar date late. If you would like to submit the paper earlier, please feel free to do so.

The actual paper is 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, but should be embedded with the paper. Do not forget to reference your sources properly as endnotes. The paper should include a one-page executive summary of the observations, recommendations, and conclusions in your paper.

Please submit this to me via email in PDF form with the following as the title for your paper YOUR LAST NAME FIRST INITIAL STRATEGY AND YEAR. For example CARTER S STRATEGY2014.PDF Thanks.

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

Class Contribution	30%
Study Group Big Picture Presentation	30%
Individual strategy project	<u>40%</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.*



This course accepts double-sided prints in an effort to help Neeley become more environmentally sustainable.

Other Administrative Details

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. Late papers will accepted at full credit only in the event of personal emergency. Other late assignments will be penalized 10% initially and an additional 10% for each subsequent day past the assigned date.
3. Please turn cell phones to vibrate and turn off live web-access during our sessions together. If you need to text a reply to someone during class, please step outside of the classroom.

Weekend 1: Agile Strategic Leadership and Your Role in Implementing Strategic Change

Friday morning, October 17, 2014

Session 1: How to Effect a Strategic Change in your Organization

Readings: Simons. Stress-Test Your Strategy: The 7 Questions to Ask. November 2010.
Harvard Business Review.

Cases: Dennis Hightower Taking Charge (HBS -395-055)

Disney's Transnational Manager (HBS - 9-395-056)

In today's session, I would like us to spend some time talking about the notion of leading, following, and managing during times of uncertainty, complexity and dynamism. Then I would like to move to a discussion of what it takes to significantly impact your organization through the implementation of strategic decisions.

This case puts you in the shoes of Dennis Hightower, a Disney manager. As the case states, you are given the mandate to "Go out and grow the business. Do something different from what has been done in the past. Develop a strategy and bring it back to us in three months." Follow the directions accompanying the case and be prepared to dissect Hightower's actions. Your role in any new situation will include many of the issues that Dennis Hightower has to face. Understanding how to formulate and implement during the crucial start-up phase in your new role can make or break you as an effective manager. We conclude by discussing some of the most relevant and important issues that you might be faced with during your career.

First, please read the "Taking Charge" case. Prepare answers to the following questions:

1. What challenges does Dennis Hightower face in his new position?
2. Prepare a detailed plan of action for Dennis Hightower to pursue over the next 3 months.

Next, AFTER HAVING WRITTEN OUT YOUR ANSWERS TO QUESTIONS 1 & 2 ABOVE, read "Disney's Transnational manager" case and be prepared to discuss the following questions:

1. Evaluate the pacing and sequencing of Hightower's actions from 1988 to 1994.
2. How would you evaluate Hightower's approach to bringing about change in his organization? Compare his approach to other approaches with which you are familiar.
3. What should Hightower do about the apparel business?
4. Learning from Hightower's experiences, what do you think are some of the challenges of building a transnational (global) organization?

Fall 2014 – Detailed Course Calendar and Assignments
Weekend 1 – continued

Friday afternoon, October 17, 2014

Session 2: Big Picture Thinking- Building Your Framework

Readings: Review Gosling and Mintzberg. November 2003. The Five Minds of the Manager
Harvard Business Review.– This article was provided to you at the new student orientation last August.

Case: None.

Rather than using a case to guide our discussions, instead I would like to illuminate this topic through a broader lens of the course program itself. I will give you instructions for this assignment and you will be meeting with your groups today to begin to develop your frameworks and powerpoint slides for a 25 minute presentation to the class. These presentations will take place during Session 8.

IMPORTANT: Items to prepare prior to class time:

- 1) Come prepared for this class with your syllabi from each of the courses that you have taken here at TCU. Also, class notes from the courses could come in handy during this integration session. A quick review of each of the courses that you have taken will likely get you in a frame of mind to be productive during this session.
- 2) I also plan to use this time to discuss with each of you individually your individual strategy project. Therefore, plan to present a two minute **Elevator Pitch** of your project to me (no slides) along with a one page updated handout to give to me as well as any questions that you may have at this point. I will have a schedule of your meeting time available during class.

Fall 2014 – Detailed Course Calendar and Assignments

Weekend 2: Analyzing the Environment and Making Sound Strategic Decisions

Friday morning, October 31, 2014

Session 3: Organizational Fit and Strategy Execution

Readings: Weber, J. A Leader's Guide to Understanding Complex Organizations: An Expanded "7-S" Perspective, UV3148

Bower and Gilbert, February 2007. "How Managers' Everyday Decisions Create-or Destroy-Your Company's Strategy," Harvard Business Review.

Case: Alibaba Group (HBS 9-710-436).

Getting to the point of strategic alignment means understanding how to align your organization's structure, control systems, and processes effectively. Getting incentives right is tough.... This case delves into what tradeoffs might be necessary in internal corporate governance to get the best fit within the organization and its environment. We will examine leverage mechanisms such as structuring through different spans of control, delegation, decision rights, incentive design etc.

Preparation Questions:

1. How does Alibaba Group create a competitive advantage? Is this corporate advantage sustainable?
2. Is the current degree of competition among the business units appropriate? Do you think that Jack Ma should encourage more cooperation? If so, how?
3. As Alibaba develops new businesses, how should the firm incorporate them into the organizational structure? What are the benefits and costs of having new businesses report directly to Jack Ma?
4. What should Jack Ma and his C-Suite be concerned about? Should Jack Ma centralize more functions at the corporate level? If so, which ones? Should Mr. Ma create a Chief Operating Officer position?
5. Where should the new business initiatives (mobile platforms and financing small businesses) reside organizationally? At corporate or within the individual business units?

Fall 2014– Detailed Course Calendar and Assignments
Weekend Two: Continued

Saturday afternoon, November 1, 2014

Session 4: Competitive Dynamics, Corporate Governance and Changing Arenas

Readings: Harris, J. et al. Competing for Advantages: From industry analysis to competitive dynamics. UV4317, 2011.

Kaplan, R. & Norton, D. 2006. Aligning the board of directors. B0603A. Balanced Scorecard Report, Harvard Business School Publishing.

Kaplan, R. April 2004. Is your board really delivering value? Strategy & Innovation, Harvard Business School Publishing.

Case: Cooley Distillery: The Independent Spirit of Ireland. North American Case Research Associations, Inc. NA0270

Questions:

1. If you were a shareholder, how would you judge Cooley's financial and operational performance to date?
2. Should Cooley seriously consider being bought by a rival, probably larger multinational? What type of value would you put on Cooley? What is the minimum the shareholders should accept? Alternatively, would it make sense for Teeling to take the company private through an MBO?
3. What strategy should Teeling and the Board of Cooley pursue, and why? How will this strategy affect Cooley's other stakeholders?

Fall 2014– Detailed Course Calendar and Assignments

Weekend Three: External and Internal Analysis and Strategy Diamond Facets:

Friday morning, November 14, 2014

Session 5: Vehicles - Mergers and Acquisitions and Corporate Level Strategy

Readings: Bower, “Not all M&As are Alike – and That Matters,” Harvard Business Review, March-April 2001.

Capron, L., and Mitchell, W. “Finding the Right Path” Harvard Business Review, July 2010.

Case: PepsiCo: The challenge of growth through innovation. UVA- S-0133

How does a large corporation rethink and transform itself in an increasingly competitive environment? This corporate strategy case could be described as how PepsiCo stopped worrying about competing with Coca-Cola and figured out what its real business was and how to build its future. Will their corporate strategy changes work in an increasingly competitive environment?

Questions:

1. What was PepsiCo’s strategy before Roger Enrico took over?
2. What is their new corporate strategy? What are the implications of this for Pepsi?
3. How did they make this transformation?
4. What specific processes and leadership issues does this strategy change raise for you?
5. What do you think of Enrico as a strategic leader?

Fall 2014– Detailed Course Calendar and Assignments
Weekend Three: continued

Saturday afternoon, November 15, 2014

Session 6: Differentiators – Sustainable and Innovative Business Models

Readings: Porter and Kramer. January-February 2011. “Creating Shared Value: How to reinvent capitalism-and unleash a wave of innovation and growth.” Harvard Business Review.

Case: Care Kenya: Making Social Enterprise Sustainable
(Ivey Case 905M56)

This class is devoted to looking at shared value from a bigger picture lens and how it can be capitalized on for both profit and non-profit organizations. Porter has explored several methods of creating shared value outside the confines of a pure profit motive, and we will explore those issues in greater detail today.

Questions:

1. George believes that REAP’s Central Management Unit (CMU) is not commercially viable over the long-term and that projections in case Exhibit 4 are optimistic. Is CARE’s financial model for the CMU feasible?
2. Why is REAP’s CMU running a loss?
3. Identify the key stakeholders, their strengths and weaknesses, and determine what they stand to gain or lose from REAP.
4. As George, what would you do to make REAP sustainable?

****Remember, your Strategy Project Papers are due soon!**

Fall 2014 – Detailed Course Calendar and Assignments

Weekend Four: Inspiring Others to Follow the Strategic Path to Sustainable Competitive Advantage

Friday morning, December 5, 2014

Session 7: Corporate Renewal - Staging & Pacing and Economic Logic

Readings: Davenport, T. ANALYTICS 3.0 Harvard Business Review, December, 2013 - R1312C-PDF-ENG

Case: The Chicago Blackhawks: Greatest Sports Business Turnaround Ever?

Taking an organization from imminent failure to unlikely success is something few leaders can do successfully. This case examines strategic, financial, and operational changes that are necessary to turn around an organization in times of trouble. Leadership qualities that instill this sense of urgency for a successful turnaround are also examined.

Questions:

1. The team was in a perilous financial state and needed to increase revenue, but what could Rocky do when he believed the Blackhawks' performance over the past few years did not justify an increase in ticket prices?
2. Unquestionably, Bill Wirtz had alienated many of the team's fans. How could Rocky and the Blackhawks' new president, John McDonough, rebuild – and grow – the fan base?
3. How could Rocky and his staff attract top athletes in this environment?
4. What aspects of the Blackhawk's strategy needed to be changed?
5. What leadership qualities did Rocky display after assuming ownership of the Blackhawks?

Fall 2014 – Detailed Course Calendar and Assignments
Weekend Four: continued

Saturday afternoon, December 6, 2014

Session 8: Leading Your Organization Effectively – The Bigger Picture

Readings: Cantor, Rosabeth Moss. Zoom In, Zoom Out, Harvard Business Review, March, 2011.

Case: None

Being a guiding force to others around you by being able to motivate and execute is critical to your future success. Having the ability to zoom out and zoom in to help others act in accordance with the vision of the organization is critical to the Strategic Leader role. By taking a reflective journey on the insights that you have discovered during your experience here at TCU, I would like us to spend some time digging deep into what it means to move your organization ahead through implementation and action.

Assignment: Teams will present their BIG PICTURE FRAMEWORKS based on the instructions given in Session 2 as well as the syllabus. Each team will be given 25 minutes to present, and be given 5 minutes for Q & A. Each person from the team should present. I will grade this assignment based on your ability to effectively capture the big picture of the leadership approach in question, and for you to clearly and effectively tie in different tools and concepts addressed from this and other classes into a systematic framework.

Timing for Today

Team 1	115-145
Team 2	145-215
Break	215-230
Team 3	230-300
Team 4	300-330
Break	330-345
Team 5	345-415
Team 6	415-445
Wrap-Up	445-450
Espots	450-500pm

The wrap up will be used to explore issues surrounding being an effective leader through understanding and articulating a big picture perspective with your key stakeholders. We will also discuss what it takes to be a great strategic leader, and how various leadership styles can help move the organization in the direction you would like to see it go. Having five minds is not enough, but knowing what style is most effective in what situation is critical to getting the results you are looking for!