Strategic Management

Academic Year: (2020 / 2021) **Review date: 22-01-2021**

Department assigned to the subject:

Coordinating teacher: DESENDER , KURT ACHIEL

Type: Compulsory ECTS Credits : 3.0

Year : 1 Semester : 1

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Introduction to Business Economics

OBJECTIVES

The course aims to provide you with specific tools that will enable you to:
¿ Understanding how firms gain and sustain competitive advantage;
¿ Analyzing strategic business situations and formulating strategy; and
¿ Implementing strategy and organizing the firm for strategic success.

Success depends not only on the soundness of the formulated strategy, but also on effective implementation through appropriate organizational choices. This course focuses on strategic decisions, and with both the content of those decisions and the processes by which general managers position the businesses and allocate resources under conditions of uncertainty and competition. This course utilizes various tools, concepts, and analytical frameworks that enhance our ability to define and analyze strategic problems and to identify sources of competitive advantage from both an industry and firm level perspective.

To accomplish our objectives, we will use a variety of learning techniques: lectures, outside of class assignments, readings, written reports, presentations, and most importantly, class discussion of case studies.

DESCRIPTION OF CONTENTS: PROGRAMME

Class 1: Introduction to Strategy: What is Strategy/ Strategic Management

Readings:
Grant, R. Ch1 and Ch2.
Michael E. Porter, "What is Strategy?" Harvard Business Review, November-December 1996, Reprint #96608(*)

Cases/Exercises:
Madonna(*) ¿ In Grant, R. Contemporary strategy analysis, 7th edition. Wiley.

Assignment Questions:
1. What is Strategy?
2. In Porter's view, what is the difference between Operational Effectiveness & Strategy?
3. What is the role of tradeoffs in Operational Effectiveness & Strategy?

Class 2: Industry Analysis

Readings:
Besanko et al. Industry Analysis. Ch11.
Grant R. Ch 3.

Cases/Exercises:
Cola Wars Continued: Coke vs. Pepsi in the 21st Century (HBS 9-702-442) (*)
Andrea Fosfuri, Marco S. Giarratana. 2009. Masters of War: Rivals¿ Product Innovation and New

Advertising in Mature Product Markets. Management Science

Assignment Questions:
1. Why is the soft drink industry so profitable?
2. Compare the economics of the concentrate business to the bottling business: why is the profitability so different? Why are concentrate producers integrating into bottling?
3. How has the competition between Coke and Pepsi affected the industry's profits? Has competition between the two companies in emerging markets differed substantially from competition in the United States?
4. Will Coke and Pepsi sustain their profits? What would you recommend to Coke to ensure its success? To Pepsi?

Class 3: Positioning and Competitor Analysis

Readings:
Grant R. Ch4.
Bridoux & Stoelhorst (2014) Microfoundations for stakeholder theory: Managing stakeholders with heterogeneous motives, Strategic Management. Journal 35: 107¿125.

Cases/Exercises:
Dogfight over Europe: Ryanair (A) (Case: HBS 9-700-115)(*)
Ryanair (B) ¿ distributed in class

Learning Objectives:

1. What is the Structure-Conduct-Performance Model?
2. How does industry (5-Forces) analysis help us to identify profitability of an industry?
3. How does one test the S-C-P model?

Assignment Questions:
1. What is your assessment of Ryanair¿s launch strategy?
2. How do you expect Aer Lingus and British Airways to respond? Why?
3. How costly would it be for Aer Lingus and British Airways to retaliate against Ryanair¿s launch rather than accommodate it?
4. Can the Ryan brothers make money at Ipond 98 fare they propose?

Class 4: Analyzing resources and capabilities

Readings:
Grant, R. Ch5 and Ch6.

Cases/Exercises:
Walmart (*) - In Grant, R. Contemporary strategy analysis, 7th edition. Wiley.

Assignment Questions:
1. How did Walmart become one of the most profitable company in the world?
2. How different are Ryanair and Walmart in terms of cost advantage?

Class 5: (Sustainability of) Competitive Advantage

Readings:
Pankaj Ghemawat, "Sustaining Superior Performance" (*)

Cases/Exercises:
Ducati (HBS 9-701-132) (*)

Assignment Questions:
1. In Ghemawat¿s view, what are the major threats to sustainability?
2. What are the most likely threats to the sustainability of Ryanair¿s competitive advantage?
3. How does Ducati create value?
4. What is the economic logic behind Minoli¿s turnaround efforts? In which ways have they been

successful & unsuccessful?
5. Should Ducati get into cruisers?

Class 6: Midterm evaluation + Project outline presentations

Class 7: Vertical Integration and Diversification

Readings:
Grant, R. Ch 13.

Cases/Exercises:
a) Zara: Fast fashion(*)

Assignment Questions:
1. How does Zara use a vertical integrated structure to create a competitive advantage?

Class 8: Global Strategy

Readings:
Pankaj Ghemawat - Differences Across Countries: The CAGE Distance Framework
Pankaj Ghemawat - Managing Differences - The Central Challenge of Global Strategy

Cases/Exercises:
Grolsch: Growing Globally
Assignment Questions:
1. Why did Grolsch pursue international expansion?
2. How well has Grolsch done in growing its international business?
3. What lessons can be drawn from where Grolsch has been most successful?
4. Why did you

Class 9: Corporate Governance and Corporate Social Responsibility

LEARNING ACTIVITIES AND METHODOLOGY

Case Analysis
Strategic thinking and analysis are best learned through practice. The capstone business cases we will study concern real-world business situations. These cases are designed to provide you with data on real-life managerial problems, and case analysis is useful as a simulation of actual managerial activity. These integrative cases provide an opportunity to both apply the concepts that we discuss in class as well as to further develop our ability to think about business strategy. How much you learn from these strategic management cases depend on your preparation and active participation. Everyone is expected to participate effectively in each class to comment, question, and analyze.

Group Work
Discussing cases and preparing analyses outside of class helps to deepen your knowledge about strategic management. Group work will be essential for the major group project.

Exam
There will be an in-class (closed-book) final exam. This exam will test both your mastery of the concepts and your ability to apply them.

Individual Participation
Active participation in the class is an essential part of the learning experience. You are expected to contribute both to the case discussion and to discussion during the lecture sessions.

ASSESSMENT SYSTEM

55% Final Exam
45% Individual and group work during the course

% end-of-term-examination:	55
% of continuous assessment (assigments, laboratory, practicals…):	45

BASIC BIBLIOGRAPHY

- Besanko, D., Dranove, D., Shanley, M., and Schaefer Economics of Strategy, Wiley & Sons.

- Grant, R. Contemporary strategy analysis, 7th edition. Wiley.

- Rothaermel, F Strategic Management: Concepts, MCGRAW HILL, 2018

ADDITIONAL BIBLIOGRAPHY

- Rothaermel, F Strategic Management, McGraw Hill, 2015

BASIC ELECTRONIC RESOURCES

- David Collis; Cynthia A. Montgomery . Competing on Resources: https://hbr.org/2008/07/competing-on-resources/ar/1

- Porter, M. . What is strategy: https://www.youtube.com/watch?v=ECtx5EM3q3c

- W. Chan Kim; Renée Mauborgne . Blue Ocean Strategy: http://info.psu.edu.sa/psu/fnm/ymelhem/blue%20ocean%20str.v2.pdf