

## STRATEGY

Master in Management  
Universidad Carlos III de Madrid

Quarter:            Fall  
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### SHORT COURSE DESCRIPTION

“Strategy” is designed to develop your ability to understand at a fundamental level how and why some firms achieve and sustain superior performance. The course draws on frameworks and findings from a number of academic disciplines, especially economics, organization theory, sociology, accounting, and management policy. Successful strategy design and implementation requires a broad-based understanding of the firm’s external environment and competitive landscape, as well as its capabilities and potential positioning. The course is designed to develop this integrative view of the firm and its environment, along with appropriate analytical skills.

### 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.

#### *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.

### **EVALUATION CRITERIA**

45% - Final Exam

20% - Course Project

20% - Mid-Term

15% - Class Participation and Assignments

### **REFERENCE BOOKS**

Rothaermel, F.. Strategic Management 4th Edition. McGraw-Hill Education.

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

Material distributed during the course (articles, case studies, etc.). Available at Aula Global 2.

## DETAILED PROGRAM OF THE COURSE

- ▶ Topic 1: Introduction to Strategy: What is Strategy/ Strategic Management & The purpose of the Organization

**Debate Question:** The fundamental goal of the organization is to maximize shareholder value – Y/N

- ▶ Topic 2: Industry Analysis

### **Cases/Exercises: Coke Wars**

1. How do Pepsi and Coke compete? How are they positioned (on which dimensions do they compete/how do they segment the market)?
2. What are the key success factors in this industry? Who has a competitive advantage?
3. Will Coke and Pepsi sustain their profits in the future (what are the mayor threats/opportunities)?
4. How do you evaluate Roger Enrico statement: “If the Coca-Cola company didn’t exist, we’d pray for someone to invent them.”

- ▶ Topic 3: Analyzing Resources & Capabilities

### **Cases/Exercises: Streaming Wars**

1. Explain the initial strategy (plan) of Netflix to take on Blockbuster
2. Analyze the industry's key success factors (today's streaming market)
3. Identify the key strengths and weakness of Netflix
4. Formulate at least one specific strategic initiative.

- ▶ Topic 4: Threats to Sustainability - at Organizational level

### **Cases/Exercises: Lego’s struggle and revival**

1. Explain the initial success, struggle and renewed success of Lego (Focus on the key strenghts, changing market conditions, poor decisions, etc.).
2. Conduct a SWOT-TOWS analysis to uncover the more relevant opportunities and threats and formulate strategic initiatives in each quadrant.

- ▶ Class 5: Strategy & Digital Transformation

### **Cases/Exercises: IKEA transformation to digital**

1. What are the main challenges for the future IKEA is working on through its digital transformation?
2. Why did it take so long for IKEA to start selling online?
3. How is IKEA uniquely different from Amazon; and how can it build on those strengths to offer something of unique value to customers?
4. Apply the ia3 model to IKEA regarding one key issue you identify to be crucial.

► Topic 6: Corporate Strategies: Vertical Integration

**Cases/Exercises: Fashion Wars**

- 1) What are the Key Success Factors in the fast fashion industry? How are they different from traditional fashion?
- 2) Compare the business models of H&M and Inditex (in terms of the importance of vertical integration)?
- 3) How sustainable is Zara competitive advantage? What are the main threats to its current advantage?
- 4) Evaluate the strategic decision made by Inditex to heavily invest in its online sales channel.

► Topic 7: Corporate Strategies: Diversification (and Introduction to Global Strategy)

**Cases/Exercises: Case: Making sense of diversification at Virgin Group**

- 1) Does the Virgin Group's portfolio exhibit good strategic fit? What value-chain match-ups do you see? What opportunities for skills transfer, cost sharing, or brand sharing do you see?
  
- 2) What is your overall evaluation of Virgin's business portfolio? Does the portfolio provide the company's shareholders with an opportunity for above-average market returns?

► Topic 8: Strategy for Non-for Profit Organizations

**Cases/Exercises: WaterAid**

Through a Round-robin learning approach, 5 groups works simultaneously on a 5 key strategic parts: Setting LT objectives, defining the organization's Strengths, Weaknesses, Opportunities and Threats; before formulating specific initiatives.