COURSE DESCRIPTION

Welcome to Management 5335! This course focuses on the understanding of why some companies perform better than others both domestically and internationally. As MBA students you already know that companies are complex entities that require many types of specialized knowledge such as accounting, finance, operations management, marketing and human resources management. In this class we will build on what you already know in these different areas while focusing on the behavior and performance of the entire organization.

More specifically, the course is designed to provide you with theoretical knowledge, frameworks and information to understand how companies develop competitive advantage through the development of firm resources and capabilities and their redeployment within industries, across industries and across countries. The course can be described in two words: pragmatic and eclectic. It is pragmatic because I will be teaching about issues and concepts relevant for your future business career. It is eclectic because I draw upon a wide variety of theoretical ideas. We will contextualize the theoretical ideas through in-depth case discussions and a final project on a company of your choice.

LEARNING OBJECTIVES

To overarching goal of the course is to understand the key elements of international strategic management of a company: analysis of the firm and its competitive environment, analysis of strategic alternatives, and development of strategic recommendations. This will be achieved through the following learning objectives and corresponding activities and assessments:

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<tr>
<th>LEARNING OBJECTIVE</th>
<th>ACTIVITIES</th>
<th>ASSESSMENT</th>
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<tr>
<td>Define strategic management and understand its importance</td>
<td>Readings: Textbook chapters 1</td>
<td>Exam Final project</td>
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<tr>
<td>LEARNING OBJECTIVE</td>
<td>ACTIVITIES</td>
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<tr>
<td>Understand strategic planning and decision making</td>
<td>Reading: Textbook chapter 2.</td>
<td>Exam</td>
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<td>Understand the concept of competitive advantage</td>
<td>Reading: Textbook chapter 3. Case analysis: Southwest Airlines: 1993 (A).</td>
<td>Exam Participation in class Final project</td>
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<td>Understand the different stages of industry evolution and their impact on competition</td>
<td>Reading: Textbook chapter 5. Case analyses: Materials Technology Corporation; Blockbuster Inc. &amp; Technological Substitution (A&amp;D).</td>
<td>Exam Participation in class Final project</td>
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<tr>
<td>Understand the development and redeployment resources and capabilities as the source of competitive advantage</td>
<td>Reading: Textbook chapter 6. Case analysis: The Lincoln Electric Company.</td>
<td>Exam Participation in class Final project</td>
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<tr>
<td>Understand vertical integration decisions and their impact on competitive advantage</td>
<td>Reading: Textbook chapter 7. Case analysis: Zara: Fast Fashion.</td>
<td>Exam Participation in class Final project</td>
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<tr>
<td>Understand international expansion decisions and their impact on competitive advantage</td>
<td>Reading: Textbook chapter 9. Case analysis: BRL Hardy: Globalizing an Australian Wine Company.</td>
<td>Exam Participation in class Final project</td>
</tr>
<tr>
<td>Understand horizontal diversification decisions and their impact on competitive advantage</td>
<td>Reading: Textbook chapter 10. Case analysis: Head Ski Company, Inc.</td>
<td>Exam Participation in class Final project</td>
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**LEARNING METHOD**

The course will involve some lecture and discussion of the key concepts and frameworks. This part is important to clarify your understanding of these ideas for their correct application. However, much of the learning will occur through case discussions.

My assumption going into class every day is that you have read the assigned material, and you want to discuss your thoughts on that material. I am interested in your opinions, and I believe that learning occurs most effectively when you are *actively engaged* in the process.

Therefore, if you want to learn and do well in the course you will have to:
• Prepare - Read the assigned material. If you do not read the theory and the cases the in-class discussion will mean little learning. Your performance in exams and the final project may suffer as a result.

• Participate- You will learn not by reading and memorizing concepts but by applying them.

Cases: The cases provide a vehicle for real-world learning. I expect you to take the concepts form the book and readings and apply them to the cases. The cases represent real organizations, but the information is incomplete. Nevertheless, as in real life, managerial decisions have to be made with incomplete information relying on reasonable assumptions.

COMMUNICATION

I will use a course site on Blackboard to post all class materials and communicate with you.

TEXTBOOK

Modern Competitive Strategy (3rd Edition)
Gordon Walker
ISBN: 978-0-07-338138-1

CASES AND ARTICLES

The cases and articles are available for purchase at:
https://cb.hbsp.harvard.edu/cbmp/access/33362635

EVALUATION

Participation 20%
Exams (2) 22.5% each
ETS MBA assessment 5%
Group project 30%
  Report 15%
  Presentation 10%
  Peer review 5%

(1) Participation: 20%

The discussion and sharing of ideas is a powerful learning tool. In addition, listening, communicating and persuading are important management skills. Active class participation, therefore, is an important component of the course. It is expected that students will be present and are prepared for every class and want to share their views in classroom discussion. Thus, I reserve the right to "cold-call" during class. Finally, attendance is merely a necessary but not sufficient condition for receiving some consideration for class participation. In other words, attendance is beneficial for your participation grade but will not guarantee by itself a good participation grade.
I evaluate contributions in an ascending order from summaries of facts, to substantial comments, to outstanding contributions. I believe that responsible debate is very important for discovery and understanding, and I appreciate your willingness to engage in such activity. Using airtime involves an obligation to contribute to class learning, and while I will never downgrade a student for any type of participation, you should understand that not all participation deserves equal credit.

On a session basis I will grade participation with the following scale: 1 = facts and minor comments, 2 = substantial analytical comments and 3 = truly exceptional contributions. Students concerned about their ongoing class participation can request feedback. Finally, students who are not used to participate in class should contact me at the beginning of the semester to work together on the development of their ability to participate in the discussions.

The questions for each case are listed in Appendix A (page 9).

(2) Exams: 22.5% each

There are two in-class closed-book exams. They will contain multiple choice and short-essay questions. The questions can be based on the textbook, additional readings and case discussions. Dates: March 3 and April 30.

(3) ETS MBA Major Field Test: 5%

An exam by Educational Testing Service will be required for institutional assessment. I will discuss details in class and will post related materials on Blackboard. Date: April 14 and 16.

(4) Final group project report: 15%

See appendices B and C (pages 11 and 12) for project details and grading rubric. Due: May 5 at 1:00 p.m. Late assignments will not be accepted without penalty.

- Final projects must be uploaded to Turnitin by the due date and time.
- A maximum of 10% in the similarity index is allowed (excluding bibliographic materials). In addition, note that portions of the paper below this percentage should not be copied from any source without properly citing it.
- Teams will be allowed to upload the paper once before the final submission.
- Be aware that it may take up to 24 hours to generate Turnitin’s originality report.
- Only one person per team should upload.
- All team members must be aware of the similarity index of each uploaded version.
- For information regarding plagiarism go to: http://www.plagiarism.org/
- Let me know if you have any questions regarding plagiarism.
- If plagiarism is suspected, the case will be forwarded to the Office of the Dean of Students.
(5) Final group project presentation: 10%

Each group will present its final project to the entire class. See appendix D (page 13) for grading rubric. **Date: May 5.**

(6) Peer review: 5%

This component will be based on your peer’s confidential evaluation of your contribution to your group project. I will make a form for this purpose available on Blackboard. *The signed forms should not be submitted in class.* You can submitted via email or drop it in my mailbox (office 230 at COBA). **You should not assess yourself in the form. Forms using a scale different from the one listed in it will not be considered. Such forms and those not submitted will be considered equivalent to granting the maximum grade to your team members. Due: May 7 at 5:00 p.m.**

**Course Grading Policy:**
A: Represents achievement that is **outstanding** relative to the level necessary to meet course requirements.
B: Represents achievement that is **significantly above** the level necessary to meet course requirements.
C: Represents achievement that meets the **course requirements** in every respect.
D: Represents achievement that is **worthy of credit** even though it fails to meet fully the course requirements.
F: Represents **failure** (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I (see also I).
I: (Incomplete) Assigned at the discretion of the instructor only under **extraordinary** circumstances, (e.g. hospitalization). It requires a written agreement between instructor and student.

Scale: \[ 100 \geq A \geq 90 \]
\[ 90 > B \geq 80 \]
\[ 80 > C \geq 70 \]
\[ 70 > D \geq 60 \]
\[ 60 > F \]

**Re-grading Policy:**
- All requests must be submitted in writing to me. You must identify:
  - The question or point you believe was incorrectly graded
  - The amount of credit you request
  - The reasons why
- All requests must be handed to me within a week of receiving your grade.
- This policy applies to exams and final project.
Make-up Exams:
I will provide make-ups for the exams to students under unavoidable or legitimate circumstances. Such circumstances include, but are not necessarily limited to, documented illness, serious family emergencies, subpoenas, jury duty, military service, and religious observances.

Disabilities:
If you have a disability and need classroom accommodations, please contact The Center for Accommodations and Support Services (CASS) at 747-5148, or by email to cass@utep.edu, or visit their office located in UTEP Union East, Room 106. For additional information, please visit the CASS website at www.sa.utep.edu/cass.

Academic Honesty:
"The University of Texas at El Paso prides itself on its standards of academic excellence. In all matters of intellectual pursuit, UTEP faculty and students must strive to achieve excellence based on the quality of work produced by the individual. In the classroom and in all other academic activities, students are expected to uphold the highest standards of academic integrity. Any form of academic dishonesty is an affront to the pursuit of knowledge and jeopardizes the quality of the degree awarded to all graduates of UTEP. It is imperative, therefore, that the members of this academic community understand the regulations pertaining to academic integrity and that all faculty insist on adherence to these standards. Any student who commits an act of academic dishonesty is subject to discipline. Academic dishonesty includes, but is not limited to, cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, and any act designed to give unfair advantage to a student or the attempt to commit such acts. Proven violations of the detailed regulations, as printed in the Handbook of Operating Procedures (HOP), and available in the Office of the Dean of Students and on the homepage of the Dean of Students at: http://www.utep.edu/dos may result in sanctions ranging from disciplinary probation, to a failing grade on the work in question, to a failing grade in the course, to suspension or dismissal, among others." (UTEP’s Handbook of Operating Procedures)

Suspected cases of academic misconduct will be reported to the Office of the Dean of Students.

Student Conduct:
- You are expected to arrive to the class on time and stay until the end. Please notify me in advance if you need to arrive late or leave early in extraordinary cases.
- Do not be disruptive to the instructor or other students.
- Be brief and to the point when speaking in class.
- Listen to what other people have to say.
- Build on other people's ideas.
- Respect other people's ideas.

Note: Please minimize the use of electronic devices during class for activities unrelated to the class.
ABOUT ME

I have a Ph.D. in Business Administration with a focus on Strategy and International Management from the University of Minnesota (Carlson School of Management). I also have a M. Sc. in International Economics and Business with a concentration on Business and Economics of South East Asia from the Stockholm School of Economics in Sweden, and a B. Sc. in Industrial and Systems Engineering from ITESM (Monterrey Tech) Querétaro Campus in Mexico. I have primarily taught in the areas of strategic management and international business at upper undergraduate and graduate levels (MBA and Ph.D.). Before joining UTEP I was Assistant Professor of Management at the University of Massachusetts Dartmouth. I was also Full-Time Lecturer at ITESM Campus Guadalajara before pursuing my doctoral degree. Prior to my academic career I worked for Coca-Cola bottling groups in Mexico in marketing and distribution.

My research interests revolve around corporate strategy, international expansion, institutions, and economic geography. My work has been published in the following outlets: Strategic Management Journal, Strategic Organization, Journal of International Management, European Journal of Political Economy, Advances in Strategic Management, and Innovating Strategy Process (a Strategic Management Society Series book). I have presented my research at major international conferences organized by the Academy of International Business, the Academy of Management, the European International Business Academy, and the Strategic Management Society. I am also a member of the Editorial Review Board at Global Strategy Journal.

IMPORTANT NOTICE: THE CONTENT IN THIS SYLLABUS MAY BE SUBJECT TO CHANGE
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<th>DATE</th>
<th>TOPIC AND MATERIALS</th>
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| 1/20 | Course Introduction  
Readings: Textbook chapter 1 |
| 1/22 | What is strategy?  
| 1/27 | Competitive Advantage  
Reading: Textbook chapter 3  
**Teams due** |
| 1/29 | Case: Southwest Airlines: 1993 (A) |
| 2/3  | Industry Analysis  
Reading: Textbook chapter 4 |
| 2/5  | Case: Intel Corporation: 1968-1997 |
| 2/10 | Competing Over time - Growth to Maturity  
Reading: Textbook chapter 5 |
| 2/12 | Case: Materials Technology Corporation |
| 2/17 | Competing Over Time - Disruptive Technologies  
Reading: Textbook chapter 5  
Company selection for final project due |
| 2/19 | Case: Blockbuster Inc. & Technological Substitution (A,D) |
| 2/24 | Strategy Execution  
Reading: Textbook chapter 6 |
| 2/26 | Case: The Lincoln Electric Company |
| 3/3  | Exam 1: Chapters 1-5, additional reading, and case discussions |
| 3/5  | Boundaries of the Firm - Vertical Scope  
Reading: Textbook chapter 7  
Additional notes posted after session |
| 3/10 | Spring Break |
| 3/12 | Spring Break |
| 3/19 | Boundaries of the Firm - Horizontal Scope  
Reading: Textbook chapter 10  
Additional notes posted after session |
| 3/24 | Case: Head Ski Company, Inc. |
| 3/26 | Boundaries of the Firm - Hybrid Forms  
Reading: Textbook chapter 8 |
| 3/31 | César Chávez Birthday (no class) |
| 4/2  | Aegis Analytical Corporation’s Strategic Alliances |
| 4/7  | Boundaries of the Firm - International Expansion  
Readings: Textbook chapter 9  
Additional notes posted after session |
| 4/9  | Case: BRL Hardy: Globalizing an Australian Wine Company |
| 4/14 | ETS MBA Major Field Test |
| 4/16 | ETS MBA Major Field Test |
| 4/21 | Boundaries of the Firm - The Multi-Business Firm  
Reading: Textbook chapter 11 |
| 4/23 | Case: Newell Company: Corporate Strategy |
| 4/28 | Review session |
| 4/30 | Exam 2: Chapters 6-11, additional reading and notes, and case discussions |
| 5/5  | Final project presentations, final projects reports due at 1:00 p.m. |
| 5/7  | Peer review due at 5:00 p.m.  
Course synthesis  
Reading: Christensen (2010) |
APPENDIX A
CASE QUESTIONS

Southwest Airlines: 1993(A)
1. What is Southwest’s market position and how does it protect it?
2. What are Southwest’s value and cost drivers? What resources, if any, and capabilities produce these drivers?
3. What challenges does Southwest face? How should it deal with them?

Intel Corporation: 1968-1997
1. What was Intel's strategy in DRAMs? What accounts for Intel's dramatic decline in market share in the DRAM market between 1974 and 1984? To what extent was Intel's failure a result of its strategy?
2. What strategy did Intel use to gain competitive advantage in microprocessors? Why has Intel been able to sustain its advantage in microprocessors, but not in DRAMs?
3. Assess the future prospects of Intel. What is the biggest threat it faces? Who should it be most worried about?

Materials Technology Corporation
1. How does MTC manage the tension between developing technology and satisfying customer needs?
2. What is MTC’s approach to developing its core technology? How does it use relevant expertise? What is the role of prototyping at MTC?
3. What should MTC do? Why?

Blockbuster Inc. & Technological Substitution (A,D)
1. Why did Blockbuster became the dominant movie rental firm? What do you think are its value and cost drivers? How did it defend against competitors?
2. What technological substitutes for Blockbuster’s services did the firm encountered? How has the firm dealt with these substitutes?
3. What emerging substitutes did the firm encounter later? Did it deal with them effectively? If so, how?

The Lincoln Electric Company
1. Why is Lincoln Electric successful? What is its business strategy? What are its value and cost drivers? Isolating mechanisms?
2. What are the elements of Lincoln Electric’s strategy execution? Are they effective?
3. Does Lincoln Electric have a strategic plan? If so, what is it? If not, does it need one?
4. What challenges does Lincoln face and how should it deal with them?

Zara: Fast Fashion
1. Why has Zara been successful? (What are its value and cost drivers?) How does it protect them? How well does it grow and innovate over time?
2. How have Zara’s practices and policies regarding its boundaries contributed to its growth and performance? (Think about the combination of both vertical integration and outsourcing in making clothes.)
3. What challenges does Zara face?
Head Ski Company, Inc.

1. Why was Head been successful in the ski industry? What were the trends in the environment relevant to the company?
2. What was Head’s rationale for diversification? What were its criteria for choosing acquisition targets?
3. Evaluate Head’s diversification rationale. Can it succeed as a multi-business firm?

Aegis Analytical Corporation's Strategic Alliances

1. Evaluate Aegis’ strategy for forming alliances to market its product. Why did Aegis form the alliances in the first place?
2. In terms of managing the relationships with each company, what has been the effect of Aegis partnering with larger companies?
3. What are the motives for Honeywell and for Rockwell for maintaining the alliances?
4. What are the advantages and disadvantages of each contract’s provisions for Aegis?
5. What is the reason that neither alliances has resulted in a sale of Aegis’ product?
6. What area Aegis’ options regarding these alliances? Which option should it select?

BRL Hardy: Globalizing an Australian Wine Company

1. How do you account for BRL Hardy’s international success in the wake of the merger of two weak industry players?
2. What is the source of tension between Carson and Davies?
3. Should Millar agree to Carson’s proposal to launch D’istinto?
4. What action should Millar take regarding the competing proposals for Banrock Station and Kelly’s Revenge?

Newell Company: Corporate Strategy

1. What is a conglomerate?
2. Is Newell a conglomerate or is it organized differently?
3. What business can it be in?
4. Did the Calphalon acquisition make sense?
5. Was Rubbermaid a good acquisition for Newell?
APPENDIX B
GUIDELINES FOR GROUP PROJECT REPORT

Purpose: To apply the knowledge acquired in this class to a strategic problem or challenge of an international company of your choice.

Format: The report should have between 20 and 25 double spaced pages of analysis (double-spaced, font size 12, one-inch margins). List of references and appendices with charts and tables are not included in this page limit. Attach these at the end. The information provided on them will be considered only if they are referred to in the analysis. You must cite all references.

Structure:
A. Company selection
List of team members is due January 27. Each group should select two public international companies they would like to analyze. Submit your choices by February 17 ranked by preference. If multiple groups prefer the same company luck of the draw will decide. In making your company choices consider the following questions:
   Why are you interested in studying this company? What is the strategic problem or challenge you find interesting?
   How familiar are group members with the company?
   How accessible are data on this company and its environment?

B. Project content
Introduction:
   • Strategic problem or challenge the company faces

Industry analysis:
   • Industry forces (chapter 4)
   • Industry evolution (chapter 5)

Company analysis:
   • Competitive positioning (chapter 3)
   • Execution (chapter 6)
   • Scope (chapters 7-11, see notes below)

Recommendations:
   • Specific actions to address the identified problem or challenge
   • Evaluation of implications of your recommended actions

Notes:
   • Analysis must include quantitative assessment of firm performance relative to key competitors.
   • If your choice is either a multi-business firm or one of its lines of businesses, the analysis of scope should include an assessment of horizontal scope. This involves the theory from chapters 10 and 11, and related materials.
APPENDIX C
GRADING RUBRIC FOR GROUP PROJECT REPORT

Scale for items:
1 = Unacceptable
2 = Developing
3 = Acceptable
4 = Exemplary

ISSUE RECOGNITION

The analysis recognizes the critical issues of the project.

The analysis identifies the relevant information. When information is not available reasonable assumptions are made based on the context.

ANALYSIS

The analysis deals with the relevant problems or critical issues.

The analysis uses the relevant theoretical background from the textbook and sessions.

The analysis is coherent. The logical reasoning of the arguments is sound.

The conclusions follow from the arguments.

The recommendations are feasible given the company’s resources and capabilities.

The analysis is cohesive. Answers are well-connected.

PRESENTATION

The paper is well written. It has no misspellings and obvious grammatical errors.

The paper complies with all format guidelines.
APPENDIX D
GRADING RUBRIC FOR GROUP PROJECT PRESENTATIONS

Content
- The presentation shows coherent analysis applying the theory
- The information is clear and easy to follow

Professionalism
- Addresses the audience as if they were business executives
- Professional attire

Mastery
- Team shows collective knowledge
- Team answered question(s) adequately

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<th>Mastery</th>
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<tr>
<td></td>
<td>Analysis</td>
<td>Clarity</td>
<td>Tone and language</td>
<td>Attire</td>
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