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 primarily provide you with empirically tested theory, useful frameworks and case analyses to help you understand how companies develop a 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 three words: interactive, pragmatic, and eclectic. It is interactive because it heavily relies on your active participation. It is pragmatic because we will discuss issues and concepts relevant for your future business career. It is eclectic because I draw upon a 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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<tbody>
<tr>
<td>Define strategic management and understand its importance</td>
<td>Readings: Textbook chapter 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 the concept of competitive advantage</td>
<td>Reading: Textbook chapter 2. Case analysis: Lego.</td>
<td>Exam Participation in class Final project</td>
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<tr>
<td>Understand the different stages of industry evolution and their impact on competition</td>
<td>Reading: Textbook chapter 4. Case analyses: Blockbuster Inc. &amp; Technological Substitution (A&amp;D); The TAG Heuer Carrera Connected Watch: Swiss Avant-Garde in the Digital Age (A&amp;B).</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 5. Case: Ingvar Kamprad and IKEA</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 (if applicable)</td>
</tr>
<tr>
<td>Understand partnering decisions and their impact on competitive advantage</td>
<td>Reading: Textbook chapter 8. Case analysis: Aegis Analytical Corporation's Strategic Alliances</td>
<td>Exam Participation in class Final project (if applicable)</td>
</tr>
<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 (if applicable)</td>
</tr>
<tr>
<td>Understand horizontal diversification decisions and their impact on competitive advantage</td>
<td>Readings: Textbook chapter 10. Case analysis: Newell Company: Corporate Strategy</td>
<td>Exam Participation in class Final project (if applicable)</td>
</tr>
<tr>
<td>Understand value creation in multi-business firms</td>
<td>Readings: Textbook chapter 11. Case analysis: Creating a Corporate Advantage: The Case of the Tata Group</td>
<td>Exam Participation in class Final project (if applicable)</td>
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</table>

**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.
The cases provide a vehicle for real-world learning. I expect you to take the concepts from 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 email to communicate with you.

TEXTBOOK

Modern Competitive Strategy (4th Edition)
Gordon Walker & Tammy L. Madsen

COURSE PACKET

Additional materials are available for purchase at:
http://cb.hbsp.harvard.edu/cbmp/access/73635334

Students who do not purchase the course packet from this link will not receive participation credit.

ADDITIONAL READING


EVALUATION

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<th>Weight</th>
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<tr>
<td>Participation</td>
<td>20%</td>
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<tr>
<td>Exams (2)</td>
<td>22.5% each</td>
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<tr>
<td>ETS MBA assessment</td>
<td>5%</td>
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<tr>
<td>Group project</td>
<td>30%</td>
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<tr>
<td>Mid-term report</td>
<td>5%</td>
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<tr>
<td>Final report</td>
<td>20%</td>
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<tr>
<td>Peer evaluation</td>
<td>5%</td>
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(1) Participation: 20%

Participation is an important element of the course for two reasons. First, it is an intrinsic part of the case teaching method, which is built on the assumption that the collective discussion of ideas constitutes a powerful way to learn. Second, active listening, communication, and persuasion are important general management skills.
I expect students to be (a) present and prepared for every class; and (b) ready to share their views in the classroom discussions. Thus, I reserve the right to “cold-call” students during class. Note that the team presentations on cases are considered as part of class participation.

I evaluate participation in terms of quantity and quality. In terms of quality, I assess contributions in ascending order from summaries of facts and minor comments, to substantial comments, to outstanding contributions. Finally, keep in mind that attendance is a necessary but not sufficient condition for earning a good participation grade.

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: February 27 and April 24.

(3) ETS MBA Major Field Test: 5%

An exam created by Educational Testing Service will be required for institutional assessment. I will discuss its details in class and will post related materials on Blackboard. Date: April 10 and 12.

(4) Mid-term group project report: 5%

The mid-term progress report should include the following:
- Strategic problem or challenge the company faces.
- Progress regarding the application of relevant concepts and frameworks from chapters 2 to 5.
- Any important questions the teams may have.
- Use format for final report described on page 12.
- Due: March 8 at 5:00 p.m.

(5) Final group project report: 20%

See appendices B and C (pages 12 and 13) for project details and grading rubric. Due: May 2 at 5:00 p.m. Late assignments will not be accepted without a significant penalty.

- Final projects must be uploaded to Blackboard by the due date and time.
- A maximum of 20% in the SafeAssign score within the originality report is allowed. In addition, note that any portion of the paper below this percentage should not be copied from any source without properly citing it.
- Use the basics of APA (American Psychological Association) citation style:
  - https://owl.english.purdue.edu/owl/section/2/10/
- Paper must be upload only once.
• For guidance regarding plagiarism go to: http://www.plagiarism.org/
• Avoid accessing websites that offer or sell analyses of companies.
• Let me know if you have any questions regarding plagiarism.
• Read the additional information on academic integrity below.
• If plagiarism is suspected, the case will be forwarded to the Office of the Dean of Students.

(6) Final project peer evaluation: 5%

This component will be based on your peer’s confidential evaluation of your contribution to your final 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 2 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 > 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:
  o The question or point you believe was incorrectly graded
  o The amount of credit you request
  o 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.

Class 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.
• No audio or video recording of the class is allowed without my written consent.
• Please do not be disruptive to the instructor or other students.
• Please listen to what other people have to say.
• Please build on other people's ideas.
• Please respect other people's ideas.

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

Academic Integrity:
"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.

ADDITIONAL POLICIES AND INFORMATION

Campus Carry:
Persons who hold a Concealed Handgun License can lawfully carry their gun into a UTEP classroom as long as it remains concealed. Open carry remains prohibited on campus. Should you feel someone is intentionally displaying a gun (or any other weapon for that matter), do not hesitate to call Campus Police (X 5611) or 9-1-1. For more information on campus carry, see http://sa.utep.edu/campuscarry/; for more information on overall campus safety, see http://admin.utep.edu/emergency.
The UTEP Graduate Business Center (GBC) is an exclusion zone due to our building lease. Persons who hold a Concealed Handgun License are prohibited to carry their gun into UTEP GBC.

Special Accommodations for students:
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.

Other student services:
Student Counseling Center: http://sa.utep.edu/counsel/; (915) 747-5302
202 Union West; walk-ins are encouraged.

Student Health Center: http://chs.utep.edu/health; (915) 747-5624
Many services are free to students paid for through student health fee.

ABOUT ME
I am Associate Professor of Management at The University of Texas at El Paso (UTEP). 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.


IMPORTANT NOTICE: THE CONTENT IN THIS SYLLABUS MAY BE SUBJECT TO CHANGE
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<td>Case: Newell Company: Corporate Strategy</td>
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<td>Boundaries of the Firm - Hybrid Forms</td>
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<td>Aegis Analytical Corporation's Strategic Alliances</td>
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<td>Boundaries of the Firm - Managing the Multi-Business Firm</td>
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<td>You and Global Competition</td>
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<td>5/3</td>
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APPENDIX A
CASE QUESTIONS

Lego

1. What led Lego Group to the edge of bankruptcy (by 2004)? Please focus on the management moves during “the growth period that wasn’t” (1993-98) and “the fix that wasn’t” (1999-2004).
2. Why did Knudstorp’s turnaround strategy work? In your opinion, which actions were the most effective? Which actions were the least effective?
3. Fun question: How many different ways can you combine (a) two 8-stud LEGO bricks of the same color; (b) three 8-stud bricks; and (c) six 8-stud bricks?

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?

Blockbuster Inc. & Technological Substitution (A&D)

1. Why did Blockbuster become the dominant movie rental firm? What do you think were its value and cost drivers? How did it defend against competitors?
2. What technological substitutes for Blockbuster’s services did the firm encountered? How did the firm deal with these substitutes?
3. What emerging substitutes did the firm encounter later (after the case period)? Did it deal with them effectively? If so, how?

The TAG Heuer Carrera Connected Watch: Swiss Avant-Garde for the Digital Age (A&B)

1. Why did the watch industry grow in Switzerland? (read textbook Chapter 9’s concepts on regional and country-specific advantages)
2. Do you think that TAG Heuer has the capabilities to be successful in the connecter watch market? Why or why not?

Ingvar Kamprad and IKEA

1. What were the sources of IKEA’s successful entry into the furniture retailing business in Sweden?
2. How important was globalization to IKEA? What challenges did IKEA face while expanding globally and how did it overcome them?
3. Why was IKEA’s business model not copied?
4. What were the management processes by which IKEA coordinated and controlled its Europe
wide
operations? How effective were they?
5. What challenges may lie ahead for IKEA?

**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 decisions regarding its vertical scope contributed to its growth and
performance?
3. What challenges does Zara face?

**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?

**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 are 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*? Why?

**Creating a Corporate Advantage: The Case of the Tata Group**

1. How does the Tata group add value to its companies?
2. What are the differences, if any, between the way the Tata group adds value and the way a
multi-business firm in the U.S. adds value?
3. Should the approach to value creation by a multi-business firm differ based on the relative development of the institutional environment in the country? If yes, how?

**You and Global Competition**

1. How do you think globalization is going to affect your professional career?
2. In 15 to 20 years, who do you think would be the leading economies in the world? How is that going to impact your career choices?
3. How are you preparing for a more competitive global market for talent?
4. Do you see yourself working abroad?
APPENDIX B
GUIDELINES FOR GROUP PROJECT REPORT

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

Format: The report should have between 15 and 20 double spaced pages of concise analysis (double-spaced, font size 12, one-inch margins). Cover pages(s), executive summary, list of references and appendices with charts and tables are not included in this page limit. Attach list of references and appendices 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 by January 18. Each group should select two public companies they would like to analyze. Submit your company choices by February 8 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:
   • Executive summary
   • Introduction:
     o Strategic problem or challenge the company faces
   • Industry analysis:
     o Industry forces (chapter 3)
     o Industry evolution (chapter 4)
   • Company analysis:
     o Competitive positioning (chapter 2)
     o Execution (chapter 6)
     o Scope (chapters 7 to 11, see notes below)
   • Recommendations:
     o Specific actions to address the identified problem or challenge
     o Evaluation of implications of your recommended actions

Notes:
• Companies in the cases or discussed in the textbook significantly are not allowed.
• Analysis must include quantitative assessment of firm performance relative to key competitors.
• If your choice is either a multi-business company or one of its lines of businesses, the analysis of scope should include an assessment of the company’s full 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.