



IM/IB 320 STRATEGIC MANAGEMENT

IES Abroad Vienna

DESCRIPTION:

This course serves as a cohesive map for strategic management and takes a general management perspective, viewing the firm and organization as a whole, and integrating the various functional disciplines into an overall competitive strategy. It takes a practical view of how business corporations and organizations actually function and includes the key concepts, tools, and principles of strategy formulation and strategy implementation. It is designed to integrate the accepted theories in the area with real world applications and cases to provide students with the knowledge and skills needed for strategic management. As a cross-functional survey of business management the course is concerned with managerial decisions and actions that affect the performance of business enterprises as a whole. Strategic Management as an integrative and interdisciplinary course assumes a broad view of the environment that includes buyers, suppliers, competitors, technology, the economy, capital markets, government, and global forces. In studying strategy, the course draws together and builds on the ideas, concepts, and theories from the major functional courses such as Accounting, Economics, Finance, Marketing, etc. The key strategic business decisions of concern in this course involve choosing competitive strategies, creating competitive advantages, taking advantage of external opportunities, securing and defending sustainable market positions, and allocating critical resources over long periods. Decisions such as these can only be made effectively by viewing a firm holistically, and over the long term.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: none

METHOD OF PRESENTATION:

Lectures, discussions and role games, case study analysis, group and single work and student presentations. Sources for case research of leading companies to assess the comprehension of strategic management concepts and principles.

REQUIRED WORK AND FORM OF ASSESSMENT:

- Class participation and discussions - 20%
- Individual case memoranda - 15%
- Group case analysis and memoranda - 15%
- Midterm exam, based on lectures and complementary reading - 25%
- Final exam, based on lectures and complementary reading - 25%

Class participation and discussions:

Throughout the semester, students are expected to be prepared for discussions in class and to participate in group exercises. For these exercises, students will be required to be actively involved – i.e., making substantive comments, answering questions, and preparing short presentations (presentation plus discussion).

Case memoranda:

With instructor guidance, students will select cases and will collect additional actual company information including the latest annual report. Group case analysis and group presentation will require small teams to work outside of class to analyse a real-world case by taking an integrative and conceptual approach and providing strategic alternatives and strategy recommendations. The group will then present its analysis and recommendations to the class (presentation plus discussion). The group will also submit a strategic memorandum of 2 pages that summarizes its work (executive summary).

Midterm and Final exam:

Both midterm and final exam comprise 10 questions and test the student's understanding of the materials discussed in class and assigned readings. Answers in short essay form.

LEARNING OUTCOMES:

- Understand the fundamental elements and concepts of strategic management.
- Analyze and understand the key aspects of the external environment and industry analysis and the key variables that influence strategic decision making.
- Analyze and understand the key internal factors and internal scanning for strategic decision making.
- Describe and understand the process of strategy formulation and implementation.
- Develop the ability to take a general management perspective in analyzing a particular case and provide alternatives and recommendations in written and oral form through the analysis and reporting of case situations.
- Develop the ability to integrate concepts from functional disciplines such as Accounting, Finance, and Marketing, and assess general business topics with critical and strategic thinking.

ATTENDANCE POLICY:

See IES Vienna attendance policy.

CONTENT:

Week	Content	Readings
Week 1	Course introduction and basic concepts • Plan, structure and organization of course. Introduction to strategy, strategic management and business policy. The functions of management: Goal setting and management by objectives. Planning, organizing, leading and controlling; motivation. Benefits of strategic management and the strategic management model. The use of cases presenting actual business situations.	• Grant (2010): Ch.1. • Wheelen (2015): Chapter 12, appendix 1.A and appendix 12.A. • Hammond, John S.: Learning by the Case Method, revised Harvard Business School Note 9-376-241, April 16, 2002.
Week 2	The concepts and tools of strategic management • The strategic management model: Environmental scanning, strategy formulation, strategy implementation, evaluation and control; feedback and the learning process. Globalization and sustainability as major challenges. Strategic decision making and what makes a decision strategic. The strategic audit worksheet and a checklist for detailed strategic analysis. Corporate Governance. The case of sustainability and effects of climate change. Suggestions for case analysis. Project team formation, companies and cases divided up between the students.	• Wheelen (2015): Chapter 1+2, appendix 12.B+12.C. • Grant (2010): Ch. 2. • Wheelen (2015): Dell Inc. Changing the business model", case number 9, pp. 9.1-9.5. • Cliff Edwards: Dell's Extreme Makeover, Bloomberg BusinessWeek, October 15, 2009. • Hambrick, Donald C. and Fredrickson, James W.: Are You Sure You Have a Strategy? Academy of Management Executive, 2005, vol. 19, number 4, pp. 51-62. • Cohan, Peter: Memo to SEC: Groupon Has No Competitive Advantage, Stop Its IPO, Forbes, June 6, 2011.

Week 3	External Analysis Scanning the Environment: Identification of environmental variables and external strategic factors. The case of environmental sustainability. Industry analysis: Analyzing the task environment and industry analysis; Steep analysis vs. Swot, Pest, Pestle and Steeple; risk assessment and using key success factors to create an industry matrix. Competitive intelligence and its sources. Forecasting techniques. A checklist for environmental scanning. Synthesis of external factors and the external factor analysis summary. Competitive analysis techniques.	- Wheelen (2015): Ch. 4+4. A. - Grant (2010): Ch. 3+4. - Bradley, Stephen P.: Crown Cork & Seal in 1989, HBS Case 9-793-035, revised version, July 26, 2005. - Wheelen (2015): Apple Inc., performance in a zero-sum world economy, case no. 7, pp. 7-1 to 7-25. - Vrontis, D. and Pavlov, P.: The external environment and its effect on strategic marketing planning: a case study for McDonald's, Journal for International Business and Entrepreneurship Development, Vol. 3, Nos. 3/4, pp. 289-302, 2008. - Makos, Jim: Pest analysis, difference between swot, pest, steep and steeple analysis, 2015. http://pestleanalysis.com/difference-swot-pest-steep-steeple-analysis
Week 4	Internal Analysis Internal scanning. Core and distinctive competencies. Using resources to gain competitive advantage and the clusters in Europe and Austria. Determining the sustainability of an advantage. Industry and corporate value-chain analysis. Scanning functional resources and capabilities. A checklist for organizational analysis. Synthesis of internal factors and the internal factor analysis summary.	- Wheelen (2015): Ch. 5. - Grant (2010): Ch. 5+6. - Wheelen (2015): Case 12 on Google, pp. 12-1 to 12-14. - The Economist: Competitive Advantage, August 4, 2008. - Wheelen (2015): Boeing bets the company, 194-195. - European Commission: Key enabling technologies observatory. First annual report, 2015.
Week 5	Strategy Formulation (part 1): Business strategy and competitive advantage Situational analysis and business strategy. The strategic factors analysis summary ("SFAS") and how to generate a strategic factors analysis summary matrix. Review of mission and objectives. Generating alternative strategies by using a "TOWS" matrix. Competitive and cooperative strategies. Lower cost strategy and differentiation strategy. Cost leadership, differentiation and focus. Types of Strategic alliances.	- Wheelen (2015): Ch. 6. - Grant (2010): Ch. 8-10. - Wheelen (2015): Case 13 on Yahoo, pp. 13-1 to 13-17. - Porter, Michael E.: The Five Competitive Forces That Shape Strategy, Harvard Business Review, January 2008. - Barney, Jay (1991): Firm Resources & Sustained Competitive Advantage, Journal of Management, 1991, Vol. 17, No. 1, pp. 99-120.
Midterm Exam		

Week 6	Strategy formulation (part 2): Corporate strategy Formulating strategy at the corporate level. Key issues facing the corporation as a whole. Corporate strategy and directional strategy. Growth strategies. International entry strategies: Green-field development, acquisitions, Joint Ventures, etc. Retrenchment Strategies. Portfolio analysis and corporate parenting.	- Wheelen (2015): Ch. 7. - Grant (2010): Ch. 14+15. - Wheelen (2015): Case 17 on Chrysler, pp. 17-1 to 17-17. - Wheelen (2015): Case 18 on Tesla, pp. 18-1 to 18-6. - The Economist: The last Kodak moment? January 14, 2012. - Nadler, David A. and Michael L. Tushman: Beyond the charismatic leader: Leadership and organizational change, California Management Review 32 (2), pp. 77-97. - Salter, Chuck: Protect and Attack: Lenovo's New Strategy, Fast Company, November 22, 2011.
Week 7	Strategy formulation (part 3): Functional strategy and strategic choice Functional Strategy and the main areas: Marketing, finance, R&D, operations, purchasing, logistics, human resources, and information systems. The sourcing decision: Location of functions. Outsourcing and offshoring. Strategies to avoid. Strategic choice: Selecting the best strategy. Constructing corporate scenarios and the process of strategic choice.	- Wheelen (2015): Ch. 8. - Grant (2010): Ch. 16. - Wheelen (2015): Case 19 on Harley-Davidson, pp. 19-1 to 19-31. - Manjoo, Farjad: The Great Tech War of 2012, FastCompany, October 19, 2011. - Grant, Robert: Case 14: New York Times. In Contemporary Strategy Analysis (7e), Wiley: Chichester, pp. 698-707. - Piskorski, Mikolaj Jan.: Choosing Corporate and Global Scope. Harvard Business Review, January 26, 2007.
Week 8	Strategy implementation (part 1): Organizing for action Strategy Implementation: Organizing, directing, and staffing activities. Who implements strategy and what is to be done. Programs, budgets, and procedures. Achieving synergy among organizational activities. Chandler's proposition that structure follows strategy. Stages of corporate development. Advanced types of organizational structures. International Issues: Strategic alliances, centralization versus decentralization.	- Wheelen (2015): Ch. 9. - Grant (2010): Ch. 7. - Wheelen (2015): Case 21 on TomTom, 21-1 to 21-16. - Rasmus, Daniel W.: What HP Needs to Get Right About Strategy Execution, Fast Company, February 23, 2011. - Gallaugh, John M.: Zara Case: Fast Fashion from Savvy Systems, September 13, 2008. - Sull, Donald and Stefano Turconi: Fast Fashion Lessons. Business Strategy Review (Summer 2008), pp. 5-11.
Week 9	Strategy implementation (part 2): Staffing and directing Staffing Follows Strategy. Selection and Management Development. Problems in Retrenchment. International Issues in Staffing. Leading: Managing corporate culture and action planning. Peter Drucker	- Wheelen (2015): Ch. 10. - Grant (2010): Ch. 17. - Wheelen (2015): Case 5: Starbucks, pp. 5.1 to 5-19. - Wheelen (2015): Case 30 on The Boston Beer Company, pp. 30-1 to 30-4.

	and management by objectives. Total quality management and international considerations in leading.	Bazerman, Max H. and Dolly Chugh: Decisions Without Blinders, Harvard Business Review January 2006.
Week 10	Strategy evaluation and control Evaluation and Control in Strategic Management. Measuring Performance. Risk management; balanced scorecard approach; benchmarking to evaluate performance. Strategic information systems. Problems in measuring performance, guidelines for proper control and strategic incentive management. Current trends in strategic management.	- Wheelen (2015): Ch. 11. - Grant (2010): Ch. 18. - Wheelen (2015): Case 11 on Logitech, pp. 11-1 to 11-5 Krehmeyer, Dean, Michael Lenox and Brian Moriarty: Sustainability Must be Central to Corporate Strategy Now," Forbes, June 6, 2010 - Porter, Michael E. and Kramer, Mark: Strategy & Society, Harvard Business Review, December 2006.
Final Exam		

REQUIRED READINGS:

- Grant, Robert. (2010) Contemporary Strategy Analysis, Texts and Cases (7th Edition). New York: John Wiley & Sons, Ltd.
- Wheelen, Robert; Hunger, J. David; Hoffmann, Alan N.; Bamford, Charles E.: Strategic Management and Business Policy: Globalization, Innovation and Sustainability. Including 35 cases, 984pp. Prentice Hall 2015.
- Readings as of assignments per week.

RECOMMENDED READINGS:

- Hill, Charles W. L. and Gareth Jones (2012). Strategic Management: An Integrated Approach. Cincinnati: South-Western College Publishing (10th Edition).