IES ABROAD

IB 320 STRATEGIC MANAGEMENT
IES Abroad Barcelona

DESCRIPTION:
To be effective, business leaders must understand the factors responsible for their firm's past performance and be able to identify those changes (inside or outside the firm) that are most likely to help or hurt future performance. This course addresses this reality head-on by examining the fundamental conditions that enable a firm to conceive, formulate, and sustain a superior strategic position. In particular, we will focus on 1) the various environmental factors (including cultural factors) that impact the firm; 2) a firm's internal source of competitive advantage; 3) the likely behavior of a company's competitors (and how a company can influence its rivals); 4) the long-term sustainability of a firm's competitive advantage; and 5) corporate strategy. Students will learn strategic analysis tools, including models and frameworks to help them diagnose organizational issues and make recommendations to improve or sustain performance. The objective of the course is to equip students with real-world skills that can be applied in an organizational setting, and to provide them with an appreciation for the complexity of strategic decision-making in large firms. On a more general level, the course aims to improve students' critical thinking skills and ability to tackle tough organizational problems in a variety of settings. (3 credits).
The course uses:

- Relevant case studies of firms that are involved in developing and implementing strategic decisions.
- Current articles from business periodicals to be discussed on a daily basis to motivate class participation. The selected articles illustrate the different concepts and tactics studied during the course and provide interesting and practical examples of European, Asian and American firms assessing and implementing business and corporate strategy. Moreover, several readings and class discussions will examine particular strategic issues facing firms in Spain in order to leverage students' study abroad experience in Barcelona.
- Lectures and exercises that provide students with important frameworks and analytical tools
- Video clips that illustrate key concepts and strategic issues as viewed from the inside in real organizations.
- Field study to the Spanish headquarters of a major international company in order to provide students with first-hand insight into strategic decision-making in the host country.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INTRUCTION: English

PREREQUISITES: None

ADDITIONAL COST: Course case study fee. Most of the readings are available free of charge online. A small number carry a copyright fee, however, for which the student will be sent a bill at the end of the semester.

METHOD OF PRESENTATION: Lecture, class discussion, case study analysis, articles, individual and group exercises, videos, course-related trip.

REQUIRED WORK AND FORM OF ASSESSMENT:

- Individual case memoranda – 15%
- Class participation -10%
- Group case analysis and written memorandum – 25%
- Midterm exam -25%
- Final exam -25%

Class participation
A significant amount of class time will involve discussion of case studies and current periodicals, as well as individual and group exercises that introduce and reinforce student understanding of key topics. Therefore, students' participation in class is essential and it will be assessed. Students are expected to have an active role in the class, participating in class discussions and fulfilling the required work for each session. In order to successfully meet this requirement, students should be prepared to devote significant time outside of class for reading and critical thinking. This course is fully integrated with Moodle, the IES online learning platform. Students will be required to actively access and interact with resources on this site.

Mid-term exam
Will be taken in-class and may consist of questions in multiple choice, short answer or short essay format.

Group case analysis and written memorandum
The **group presentation** will require small teams to work outside of class to analyse a real-world case that involves tough strategic issues. The group will then present its analysis and recommendations to the class and answer questions. The group will also submit a strategic memorandum of approximately 3 pages that summarizes its work. This memorandum can be created as a Wiki (group written project) in Moodle. Students who are not assigned to deliver a group presentation on a given day will submit a 1-page memorandum summarizing how they would approach the primary strategic issue(s) presented in the case study.

Final Exam
The final exam may be in-class or a take-home format, to be determined by the professor and explained to the student at the beginning of the semester. Students will be given additional information regarding the requirements of each assignment after the course has started.

LEARNING OUTCOMES:
By the end of the course students will be able to:
- Define important terms and concepts associated with strategic management
- Analyze and understand the key environmental variables that influence strategic decision-making
- Analyze and understand the key internal factors that influence a firm's strategic decision-making
- Describe the primary sources of a firm's competitive advantage and how to sustain it
- Demonstrate understanding of key tools and frameworks that can lead to successful strategic management, including formulation and implementation of strategy
- Analyze a real-world case involving a company that is facing difficult strategic challenges, and provide recommendations—in written form and orally—for how the company should proceed
- Assess general business issues with enhanced critical-thinking skills

IES ATTENDANCE POLICY:
As a member of our class community, you are expected to be present and on time every day. Attending class has an impact on your learning and academic success. For this reason, attendance is required for all IES Barcelona classes, including course-related excursions. If a student misses more than three classes in any course without justification, 3 percentage points will be deducted from the final grade for every additional absence. Seven unjustified absences in any course will result in a failing grade. Absences will only be justified, and assessed work, including exams, tests and presentations rescheduled, in cases of documented medical or family emergencies.

CONTENT:

Session	Content	Assignments

1	Course Overview Introduction to Strategy	
2	The Concepts and Tools of Strategy	• Rumelt, R. (2011). The perils of bad strategy. *McKinsey Quarterly*, *1*(3), 1-10. • Competitive Advantage, *The Economist,* August 4, 2008. Available online: http://www.economist.com/node/11869910 • Cohan, P. (2011). Memo to SEC: Groupon Has No Competitive Advantage, Stop Its IPO, *Forbes*, June 6, 2011. Available online: http://www.forbes.com/sites/petercohan/2011/06/06/memo-to-sec-groupon-has-no-competitive-advantage-stop-its-ipo/ • Dixler, H. (2012). The Rise, Fall and Improbabe Comeback Strategy of Groupon, *Eater.com*, August 4, 2015. Available online: http://www.eater.com/2015/8/4/9091069/groupon-to-go-orderup-delivery-comeback-strategy.
3	External Analysis	• Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard business review*, *86*(1), 25-40. • Marketing & Competitive Intelligence FAQ: SWOT & PEST Analysis, AWARE Online (updated 2011). Available online: http://www.marketing-intelligence.co.uk/help/Q%26A/question24.htm
4	External Analysis, contd.	• Case: Crown Cork & Seal in 1989. (HBS 9-793-035)
5	External Analysis, contd. and Internal Analysis	• Gimeno, J. et al. (2017). Strategic Analysis of the Business Environment. INSEAD Case Study 317-0390-5.
6	Internal Analysis, contd.	• Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, *17*(1), 99-120. • Core Competence, *The Economist*, September 15, 2008. Available here: http://www.economist.com/node/12231124 • Pralahad, C.K. and Hamel, G. (1990). The Core Competence of the Corporation, *Harvard Business Review* 68 (3), pp. 79–91. • Jurevicious, O. ¨VRIO Framework Explained, in *Strategic Management Insight*, August 16, 2022. Available online here: https://strategicmanagementinsight.com/tools/vrio/

7	Competitive Advantage and Cost Leadership	• Ireland, R. D., Hoskisson, R. E., & Hitt, M. A. (2008). *Understanding business strategy: Concepts and cases*. Cengage Learning., pp. 97-104. • What Makes Southwest Airlines Fly? (2003) *Knowledge@Wharton*, April 23, 2003. Available online: http://knowledge.wharton.upenn.edu/article.cfm?articleid=753 • Govindaranjan, Vijay and Julie B. Lang (2002). Wal-Mart, Inc. Tuck School of Business at Dartmouth Case #2-0013.
8	Competitive Advantage and Differentiation	• Ireland, R. D., Hoskisson, R. E., & Hitt, M. A. (2008). *Understanding business strategy: Concepts and cases*. Cengage Learning., pp. 104-117. • Grant, R.M. (2016). Harley Davidson Inc., July 2009, in *Contemporary Strategy Analysis* (9e), Wiley: Chichester, pp. 636-653.
9	DuPont Analysis	• Hargrave, M.(2022). Dupont Analysis: The Depont Formula Plus How to Calculate It and Use It, *Investopedia*, February 28, 200. Available online here: https://www.investopedia.com/terms/d/dupontanalysis.asp
10	Intro to Corporate Strategy: Vertical Integration and Diversification	• Vertical Integration, *The Economist*, May 30, 2009. Available here: http://www.economist.com/node/13396061 • Knowledge@Wharton (2014), How Apple Made ´Vertical Integration´ Hot Again – Too Hot, Maybe, *Time,* March 16, 2012. Available online: http://business.time.com/2012/03/16/how-apple-made-vertical-integration-hot-again-too-hot-maybe/ • Postrel, V. (2012). Delta´s Oil Refinery Plan Flies Against Economic Sense, *Bloomberg View*, April 19, 2012. Available online: https://www.bloomberg.com/view/articles/2012-04-19/delta-s-oil-refinery-plan-flies-against-economic-sense • Yegulalp, P. (2013). Google´s Next Act: Diversify and Conquer, *InfoWorld*, May 20, 2013. Available online: http://www.infoworld.com/article/2614443/techology-business/google-s-next-act--diversify-and-conquer.html

11	1 Intro to Corporate Strategy: Diversification	• Vincent, J. (2019). Apple reportedly plans 2022 release for first AR headset, followed by AR glasses in 2023, *The Verge*, November 11, 2019. Available online here: https://www.theverge.com/2019/11/11/20959066/apple-augmented-reality-ar-headset-glasses-rumors-reported-release-date • Yegulalp, P. (2013). Google´s Next Act: Diversify and Conquer, *InfoWorld*, May 20, 2013. Available online: http://www.infoworld.com/article/2614443/techology-business/google-s-next-act--diversify-and-conquer.html • Markides, C. C. To Diversify or Not to Diversity, *HBR Note*. November-December 1997 Issue.
12	Corporate Strategy, contd. and Review for Mid-Term Exam	• Reeves, M. (2015). Google Couldn't Survive with One Strategy, Harvard *Business Review*, August 18, 2015. Available online: https://hbr.org/2015/08/google-couldnt-survive-with-one-strategy
13	Mid-Term Exam	
14	Innovation & Strategy	• The last Kodak moment? (2012). *The Economist,* January 14, 2012. Available online: http://www.economist.com/node/21542796 • What disruptive innovation means, (2015) *The Economis*t, January 25, 2015. Available here: http://www.economist.com/blogs/economist-explains/2015/01/economist-explains-15 • Denning, Steve (2012) Clayton Christensen and the Innovators´Smackdown, *Forbes*, April 5, 2012. Available online: http://www.forbes.com/sites/stevedenning/2012/04/05/clayton-christensen-and-the-innovators-smackdown/?utm_source=alertsnewpost#476b14e0f702 • Allworth, James (2011). Steve Jobs Solved the Innovator´s Dilemma, *HBR Online*, October 24, 2011. Available online: https://hbr.org/2011/10/steve-jobs-solved-the-innovato

15	Innovation & Strategy, contd.	• Tesla´s Not as Disruptive as You Might Think, (2015) *Harvard Business Review Online*, May 2015. Available here: https://hbr.org/2015/05/teslas-not-as-disruptive-as-you-might-think • Lee, T. B. (2016). Ford´s CEO has a smart plan to save his company from disruption. It won´t be enough, *Vox*, April 8, 2016. Available online: Available online: http://www.vox.com/2016/4/8/11389774/ford-mark-fields-disruption
16	Blue Ocean Strategy	• Kim, W. Chan and R. Mauborgne (2005). Chapter One – Creating Blue Oceans, from *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*. Boston: Harvard Business School Press, pp. 3-22 • Ellsberg, M. (2011). Life Lessons from a Fire-Breathing, Stilt-Walking Billionaire, *Forbes*, July 2, 2011. Available online: http://www.forbes.com/sites/michaelellsberg/2011/07/22/life-lessons-from-a-fire-breathing-stilt-walking-billionaire/#39434af55466
17	Strategy Implementation: Overview	• From Strategy to Implementation: Seeking Alignment (2006). Excerpt from *Strategy: Create and Implement the Best Strategy for Your Business*. Boston: Harvard Business School Press Book Chapter #5573BC (2006). • Heracleous, L., Wirtz, J. & Pangarkar, N. (2009). Chapter 7 How to Win in Cut-Throat Industries I: Achieving Strategic Alignment, from *Flying High in a Competitive Industry: Secrets of the World's Leading Airline*. Singapore: McGraw-Hill. (2009), pages 169-89. • The McKinsey 7-S Framework: Ensuring That All Parts of Your Organization Work in Harmony, *MindTools*. Available online: https://www.mindtools.com/pages/article/newSTR_91.htm
18	Strategy Implementation: Leadership & Corporate Culture	• Parr, S. (2012). Culture Eats Strategy for Lunch, *Fast Company*, January 24, 2012. Available online: https://www.fastcompany.com/1810674/culture-eats-strategy-for-lunch • Schultz, H. (2011). *Onward: How Starbucks Fought for Its Life Without Losing Its Soul*. Rodale: New York Rodale (2011) (selected excerpts). • Groysberg, B., Lee, J., Price, J., & Cheng, J. (2018). The leader's guide to corporate culture. *Harvard business review*, *96*(1), 44-52.
19	Strategy Implementation: Organizational Design & Structure	• Grant, R. (2016). Implementing Corporate Strategy: Managing the Multibusiness Firm, selected pages from *Contemporary Strategy Analysis.* 9th Edition. Wiley (January 5, 2016), pp. 361-370.

20	Case Study Presentations: Electric Car Wars 2018 Waymo LLC	• Wells, J. R., and B. Weinstock (2021). Electric Car Wars, 2018. Harvard Business School Case 719-470, February 2019. (Revised May 2021.) • Wells, J. R., and Benjamin Weinstock (2021). Waymo LLC. Harvard Business School Case 719-477, March 2019. (Revised July 2021.)
21	Group Presentations: Apple Bets on Augmented Reality AB InBev	• McDonald, R. et al. (2020). Apple Bets on Augmented Reality. Harvard Business School Case Study #9-621-007 (September 23, 2020) • Pisani, N. and I. Augier (2021). AB InBev: Still the King of Beers After Its Legendary CEO Departure? Case # IMD-7-2323
22	Group Presentation: Tommy Hilfiger	• Pisani, N. and I. Augier (2021). Tommy Hilfiger and Calvin Klein Post COVID-19: What's in Store? Case# IMD-7-2265 (2021) • Gonzalo, A. et al (2020). Fashion´s digital transformation: Now or never. *McKinsey & Company*, May 6, 2020. Available online here: https://www.mckinsey.com/industries/retail/our-insights/fashions-digital-transformation-now-or-never
23	Strategy & Sustainability	• How Companies Can Tap Sustainability to Motivate Staff, Knowledge at Wharton, September 29, 2016. Available online here: https://knowledge.wharton.upenn.edu/article/how-companies-tap-sustainability-to-motivate-staff/ • Kramer, M. R., & Porter, M. E. (2006). Strategy and society. *Harvard Business Review*, (84). • Van Wassenhove, L. (2022). Designing a Circular Business Strategy that Works, INSEAD Knowledge, March 30, 2022. Available online here: https://knowledge.insead.edu/operations/designing-circular-business-strategy-works
24	Wrap Up and Final Review	TBD
	Final Exam	

REQUIRED READINGS:

Case Studies/Business Game:
(Please note that students might be billed a small additional cost for some case studies/Business Game)

- Niccolò Pisani and Inès Augier (2021). AB InBev: Still the King of Beers After Its Legendary CEO Departure? Case # IMD-7-2323

- Niccolò Pisani and Inès Augier (2021). Tommy Hilfiger and Calvin Klein Post COVID-19: What's in Store? Case# IMD-7-2265 (2021)
- Rory McDonald et al (2020). Apple Bets on Augmented Reality. Harvard Business School Case Study #9-621-007 (September 23, 2020)
- Wells, John R., and Benjamin Weinstock (2021). Electric Car Wars, 2018. Harvard Business School Case 719-470, February 2019. (Revised May 2021.)
- Wells, John R., and Benjamin Weinstock (2021). Waymo LLC. Harvard Business School Case 719-477, March 2019. (Revised July 2021.)

- Allworth, James (2011). Steve Jobs Solved the Innovator´s Dilemma, *HBR Online*, October 24, 2011. Available online: https://hbr.org/2011/10/steve-jobs-solved-the-innovato
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, *17*(1), 99-120.
- Cohan, P. (2011). Memo to SEC: Groupon Has No Competitive Advantage, Stop Its IPO, *Forbes*, June 6, 2011. Available online: http://www.forbes.com/sites/petercohan/2011/06/06/memo-to-sec-groupon-has-no-competitive-advantage-stop-its-ipo/
- Denning, Steve (2012) Clayton Christensen and the Innovators´Smackdown, *Forbes*, April 5, 2012. Available online: http://www.forbes.com/sites/stevedenning/2012/04/05/clayton-christensen-and-the-innovators-smackdown/?utm_source=alertsnewpost#476b14e0f702
- Dixler, H. (2012). The Rise, Fall and Improbable Comeback Strategy of Groupon, *Eater.com*, August 4, 2015. Available online: http://www.eater.com/2015/8/4/9091069/groupon-to-go-orderup-delivery-comeback-strategy.
- Ellsberg, M. (2011). Life Lessons from a Fire-Breathing, Stilt-Walking Billionaire, *Forbes*, July 2, 2011. Available online: http://www.forbes.com/sites/michaelellsberg/2011/07/22/life-lessons-from-a-fire-breathing-stilt-walking-billionaire/#39434af55466
- Gonzalo, A. et al (2020). Fashion´s digital transformation: Now or never. *McKinsey & Company*, May 6, 2020. Available online here: https://www.mckinsey.com/industries/retail/our-insights/fashions-digital-transformation-now-or-never
- Govindaranjan, Vijay and Julie B. Lang (2002). Wal-Mart, Inc. Tuck School of Business at Dartmouth Case #2-0013
- Grant, R.M. (2016). Harley Davidson Inc., July 2009, in *Contemporary Strategy Analysis* (9e), Wiley: Chichester, pp. 636-653.
- Grant, R. (2016). Implementing Corporate Strategy: Managing the Multibusiness Firm, selected pages from *Contemporary Strategy Analysis.* 9th Edition. Wiley (January 5, 2016), pp. 361-370.
- Groysberg, B., Lee, J., Price, J., & Cheng, J. (2018). The leader's guide to corporate culture. *Harvard business review*, *96*(1), 44-52.
- Hargrave, M. (2022). Dupont Analysis: The Depont Formula Plus How to Calculate It and Use It, *Investopedia*, February 28, 200. Available online here: https://www.investopedia.com/terms/d/dupontanalysis.asp
- Heracleous, L., Wirtz, J. & Pangarkar, N. (2009). Chapter 7 How to Win in Cut-Throat Industries I: Achieving Strategic Alignment, from *Flying High in a Competitive Industry: Secrets of the World's Leading Airline*. Singapore: McGraw-Hill. (2009), pages 169-89.
- Ireland, R. D., Hoskisson, R. E., & Hitt, M. A. (2008). *Understanding business strategy: Concepts and cases*. Cengage Learning., pp. 97-104.
- Ireland, R. D., Hoskisson, R. E., & Hitt, M. A. (2008). *Understanding business strategy: Concepts and cases*. Cengage Learning., pp. 104-117.
- Jurevicious, O. ¨VRIO Framework Explained, in S*trategic Management Insight*, August 16, 2022. Available online here: https://strategicmanagementinsight.com/tools/vrio/
- Kramer, M. R., & Porter, M. E. (2006). Strategy and society. *Harvard Business Review*, (84).
- Kim, W. Chan and R. Mauborgne (2005). Chapter One – Creating Blue Oceans, from *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*. Boston: Harvard Business School Press, pp. 3-22
- Knowledge@Wharton (2014), How Apple Made ´Vertical Integration´ Hot Again – Too Hot, Maybe, *Time,* March 16, 2012. Available online: http://business.time.com/2012/03/16/how-apple-made-vertical-integration-hot-again-too-hot-maybe/

- Lee, T. B. (2016). Ford´s CEO has a smart plan to save his company from disruption. It won´t be enough, *Vox*, April 8, 2016. Available online: Available online: http://www.vox.com/2016/4/8/11389774/ford-mark-fields-disruption
- Markides, C. C. To Diversify or Not to Diversity, *HBR Note*. November-December 1997 Issue.
- Reeves, M. (2015). Google Couldn't Survive with One Strategy, Harvard *Business Review*, August 18, 2015. Available online: https://hbr.org/2015/08/google-couldnt-survive-with-one-strategy
- Parr, S. (2012). Culture Eats Strategy for Lunch, *Fast Company*, January 24, 2012. Available online: https://www.fastcompany.com/1810674/culture-eats-strategy-for-lunch

- Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard business review*, *86*(1), 25-40.
- Postrel, V. (2012). Delta´s Oil Refinery Plan Flies Against Economic Sense, *Bloomberg View*, April 19, 2012. Available online: https://www.bloomberg.com/view/articles/2012-04-19/delta-s-oil-refinery-plan-flies-against-economic-sense
- Pralahad, C.K. and Hamel, G. (1990). The Core Competence of the Corporation, *Harvard Business Review* 68 (3), pp. 79–91.
- Rumelt, R. (2011). The perils of bad strategy. *McKinsey Quarterly*, *1*(3), 1-10.
- Schultz, H. (2011). *Onward: How Starbucks Fought for Its Life Without Losing Its Soul*. Rodale: New York Rodale (2011) (selected excerpts).
- Van Wassenhove, L. (2022). Designing a Circular Business Strategy that Works, INSEAD Knowledge, March 30, 2022. Available online here: https://knowledge.insead.edu/operations/designing-circular-business-strategy-works
- Vincent, J. (2019). Apple reportedly plans 2022 release for first AR headset, followed by AR glasses in 2023, *The Verge*, November 11, 2019. Available online here: https://www.theverge.com/2019/11/11/20959066/apple-augmented-reality-ar-headset-glasses-rumors-reported-release-date
- Yegulalp, P. (2013). Google´s Next Act: Diversify and Conquer, *InfoWorld*, May 20, 2013. Available online: http://www.infoworld.com/article/2614443/techology-business/google-s-next-act--diversify-and-conquer.html
- Yegulalp, P. (2013). Google´s Next Act: Diversify and Conquer, *InfoWorld*, May 20, 2013. Available online: http://www.infoworld.com/article/2614443/techology-business/google-s-next-act--diversify-and-conquer.html

Other Required Readings

- Competitive Advantage, *The Economist*, August 4, 2008. Available online: http://www.economist.com/node/11869910
- Core Competence, *The Economist*, September 15, 2008. Available here: http://www.economist.com/node/12231124
- From Strategy to Implementation: Seeking Alignment (2006). Excerpt from Strategy: Create and Implement the Best Strategy for Your Business. Boston: *Harvard Business School* Press Book Chapter #5573BC (2006).
- How Companies Can Tap Sustainability to Motivate Staff, Knowledge at Wharton, September 29, 2016. Available online here: https://knowledge.wharton.upenn.edu/article/how-companies-tap-sustainability-to-motivate-staff/
- Marketing & Competitive Intelligence FAQ: SWOT & PEST Analysis, AWARE Online (updated 2011). Available online: http://www.marketing-intelligence.co.uk/help/Q%26A/question24.htm
- Tesla´s Not as Disruptive as You Might Think, (2015) Harvard Business Review Online, May 2015. Available here: https://hbr.org/2015/05/teslas-not-as-disruptive-as-you-might-think
- The last Kodak moment? (2012). The Economist, January 14, 2012. Available online: http://www.economist.com/node/21542796
- The McKinsey 7-S Framework: Ensuring That All Parts of Your Organization Work in Harmony, MindTools. Available online: https://www.mindtools.com/pages/article/newSTR_91.htm
- Vertical Integration, The Economist, May 30, 2009. Available here: http://www.economist.com/node/13396061
- What disruptive innovation means, (2015) The Economist, January 25, 2015. Available here: http://www.economist.com/blogs/economist-explains/2015/01/economist-explains-15
- What Makes Southwest Airlines Fly? (2003) Knowledge@Wharton, April 23, 2003. Available online: http://knowledge.wharton.upenn.edu/article.cfm?articleid=753

RECOMMENDED TEXT:

Grant, R. (2021). C*ontemporary Strategy Analysis*, Texts and Cases (11th Edition). New York: John Wiley & Sons, Ltd.