IB375 – STRATEGIC MANAGEMENT
IES Abroad Berlin

DESCRIPTION
This course focuses on the application of Strategic Management tools for rational decision-making in firm settings, specifically addressing Strategy at the Business and Corporate levels. To be effective, business leaders and strategists must understand the factors responsible for a firm's past performance and be able to identify those changes (occurring inside or outside the firm) that are most likely to improve or deteriorate future firm performance. This course addresses this reality by examining the fundamental conditions that enable a firm to conceive, formulate, and sustain a superior strategic position in a competitive environment, and how to create new markets by pre-emptying competition. During the course, students will touch upon a variety of strategy-related themes, including 1) the various external and environmental factors that impact firm activities; 2) firms' internal sources of competitive advantage at a Business Strategy level; 3) Strategic approaches at the Corporate Level; 4) Strategy execution: business planning, business modeling, and value proposition; 5) Strategy and innovation; and 5) Emerging themes in the strategic world (e.g., agile management and strategic entrepreneurship, strategy for platforms, sustainability and circular businesses). Students will learn main strategic analysis tools, including models and frameworks to help them diagnose organizational issues and make recommendations to sustain or improve corporate performance. The objective of the course is to equip students with real-world skills that can be applied in organizational settings and provide them with an appreciation for the complexity of strategic decision-making in large firms or startups. On a more general level, the course aims to improve students' critical thinking skills and ability to tackle challenging organizational problems in various settings.

CREDITS: 3

CONTACT HOURS: 45

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: None

METHOD OF PRESENTATION:
- Lectures,
- Class discussion,
- Case analysis,
- Articles,
- Group exercises,
- Guest lectures.

REQUIRED WORK AND FORM OF ASSESSMENT:
- Class Participation – 10%
- Group assignments – 30%
- Midterm exam - 30%
- Final exam - 30%

Course Participation

A significant amount of class time will involve discussion of cases, 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.

Active participation is a core component of your learning experience in this course. Engaging meaningfully in class discussions, preparing ahead of time, and contributing thoughtful insights will help you better reflect on your internship and connect theory to practice. The following rubric outlines how your participation will be evaluated across three areas: frequency of participation, quality of contributions, and class preparation. Your cumulative engagement will be assessed at the end of the semester based on the criteria below.

For our rubric for participation, consult the Moodle course page.

Group assignments

Group presentations will require small teams to work outside of class to develop real-world cases. The group will then present its analysis and recommendations to the class and answer questions. The group will also submit a strategic memorandum or a PowerPoint/Keynote slide presentation that summarises its work (please refer to the specific assignment's instructions and rules for the course).

For presentation guidelines, consult the Moodle course page.

Midterm and Final Exams

Both midterm and final exams will be taken in-class and consist of 5 questions in short answer or short essay format.
Final exam will cover all material (slides, readings, etc.) presented throughout the course.
The final exam will take place during Finals week. You will receive official notice of the exact date and time of the final exam as soon as all possible overlaps have been identified after the add/drop deadline.

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 and external variables that influence strategic decision-making at a Business Strategy level
- Analyze and understand the key internal factors that influence a firm's strategic decision-making at a Business Strategy level
- Formulate and assess a firm's portfolio strategy at a Corporate Strategy level
- Assess how strategy execution and innovation can be performed
- Formulate and assess a strategy for a new venture or startup
- Determine difference in strategic approaches between traditional businesses and platforms
- Recognize strategic approaches for creation of sustainable or circular business models

ATTENDANCE POLICY:

For our up-to-date attendance and exam policy, see: consult the Moodle course page.

ACADEMIC INTEGRITY:

Students are expected to abide by the IES Abroad Academic Integrity Code.

CONTENT:

SESSION	CONTENT	READINGS/ASSIGNMENTS
Week 1	**Session 1: Introduction to Class** • Syllabus & Course Overview • Introduction to Strategy	Mintzberg, H., McCarthy, D. J., & Constantinos Markides. (2000). View from the Top: Henry Mintzberg on Strategy and Management [and Commentary]. *The Academy of Management Executive (1993-2005)*, *14*(3), 31–42. *Optional:* Porter, M. E. (1996). What is strategy? Harvard Business Review, 74, 61-78.
	Session 2: The Goal of Strategic Management • How to *Define* and *Explain* Competitive Advantages – An Overview	Daly, P. & Walsh, J. (2010). Drucker's theory of the business and organisations: Challenging business assumptions. Management Decision. Vol. 48, pp. 500-511.
Week 2	**Session 3: The Outside-In Perspective: The Case of the German Automotive Industry** • Five Forces Analysis • PESTLE Analysis	Porter, M. E. (2008). "The five competitive forces that shape strategy". Harvard Business Review, 86(1), 25-40. Hofbauer G & Sangl A 2019a, 'The German Automotive Industry as a Driving Force for Innovation', American Journal of Engineering Research, vol. 8, no. 10, pp. 90-99. *Optional:* Gillespie, A. (2007). PESTEL analysis of the macro-environment. Foundations of Economics, Oxford University Press, USA.
	Session 4: Expert Talk on The Downfall of the German Automobile Sector • Value Chain • Supply Chain Configuration	Porter. M. (2001). "The Value Chain and Competitive Advantage". In Barnes, D. (2001), "Understanding Business Processes", Psychology Press – Chapter 5, pp. 50-66.
Week 3	**Session 5: The Inside-Out Perspective: The Resource-Based View** • Market-Based View vs. Resource-Based View • VRIN-Criteria Framework	Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, *17*(1), 99-120.
	Session 6: Internal Strategy Analysis & Core Competencies • Competence-Based View	Prahalad, C.K. And Hamel, G. (1990) "The Core Competence of the Corporation", Harvard Business Review, Vol 68, n.3, pp. 79-91.
Week 4	**Session 7: Networks as a Source of Competitive Advantages** • The Relational-View • The Beginning of Social Network Analysis	Dyer, J. H., & Singh, H. (1998). The Relational View: Cooperative Strategy and Sources of Interorganizational Competitive Advantage. *The Academy of Management Review*, *23*(4), 660–679.

		Granovetter, M. S. (1973). The Strength of Weak Ties. American Journal of Sociology, 78(6), 1360–1380. *Optional:* Scheel, A., Hanke, St.: Social Media as Innovation Laboratory – Data kraken or useful tool for managing innovation, R&D Management Conference 2018 "R&Designing Innovation: Transformational Challenges for Organizations and Society", 30th, June – 4th July 2018, Milan, Italy. 1-9.
	Session 8: Strategic Adaptation of Resources and Competencies in a Dynamic World • Dynamic Capabilities • The Concept of Path Dependency: The Case of the Combustion Engine	Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, *18*(7), 509–533. Schreyögg, G., & Sydow, J. (2011). Organizational Path Dependence: A Process View. *Organization Studies*, *32*(3), 321-335. *Optional:* Schreyögg, G., & Kliesch-Eberl, M. (2007). How dynamic can organizational capabilities be? Towards a dual-process model of capability dynamization. *Strategic Management Journal, 28*(9), 913–933.
Week 5	**Session 9: Strategic Foresight as Dynamic Capability** • Futures Studies & Foresight Techniques	Mohammadi, R. (2023). The Role of Strategic Foresight on Dynamic Capabilities. International Journal of Management Economics and Social Sciences. 3. 40-45. *Optional:* Gausemeier, J., Fink, A. and Schlake, O. (1998). Scenario Management: An Approach to Develop Future Potentials, Technological Forecasting and Social Change, Vol. 59, No. 2, pp. 111–130.
	Session 10: Fieldtrip FUTURIUM – Museum of Potential Futures • Foresight Techniques in Practice • How does the Future of Berlin look like and how is this impacting the Strategy of Organisations based in Germany?	*Optional:* O'Reilly, C.A., & Tushman M.L. (2008), Ambidexterity as a dynamic capability: Resolving the innovator's dilemma, Research in Organizational Behavior, Vol. 28, pp. 185-206.
Week 6	**Midterm Exam**	

Week 7	**Session 11: Strategic Approaches & SWOT Analysis** • Differentiation vs. Cost Leadership	Barichello, L.B., Garcia, R.D.M., Siewert, C.E., Hill, T., Westbrook, R. (1997). SWOT analysis: It's time for a product recall. Long Range Planning. Vol. 30. _Optional:_ Ansoff, H. I., 1965. Corporate Strategy, New York: McGraw-Hill
	Session 12: The Blue Ocean Strategy • Red vs. Blue Ocean • Guest Talk: Co-Founder of Berlin-based Startup *IdeaLab.Systems* (Dr. Stefan Hanke): How to set up a New Generation of Search Engines	Kim, W. C., & Mauborgne, R. (2005). How to create uncontested market space and make the competition irrelevant. Harvard Business Review, 4, 13. _Optional:_ Hanke, S. & Wessel, L. (2024). Designing for Digital Transformation in a Society of Smartness: Conceptual Cornerstones, Design Implications, and a Road Ahead. Foundations and Trends® in Information Systems. Vol. 8, pp. 216-341.
Week 8	**Session 13: Corporate Strategy & Portfolio Analysis** • Vertical vs. Horizontal Integration • Diversification through Mergers & Acquisitions: The Case of the German Pharmaceutical Industry	Leschik, D., Rossberger, R., & Oczkowski, E. (2020). M&As in Germany: Measuring success for the pharma and biotech industries. Journal of Business Strategy https://doi.org/10.1108/JBS-07-2020-0153
	Session 14: Fieldtrip/Company Visit Bayer Pharma • Talks/Discussion/Q&A with senior staff at Bayer Pharma	_Optional:_ Heracleous, L., & Murray, J. (2001). The urge to merge in the pharmaceutical industry. European Management Journal, 19(4), 430–437.
Week 9	**Session 15: Strategic Execution: The Business Model** • Useful Tool for Business Model Generation: Value Proposition Canvas & Business Model Canvas	Osterwalder, A., & Pigneur, Y. (2011). Aligning profit and purpose through business model innovation. *Responsible management practices for the 21st century*, 61-76. _Optional:_ Antikainen, M., & Valkokari, K. (2016). A framework for sustainable circular business model innovation. Technology innovation management review, 6(7). Amit, R., Zott, C. (2012). Creating Value Through Business Model Innovation, Sloan Management Review, Vol. 53 (3), pp. 41 – 49. Osterwalder, A., Pigneur, Y., Smith, A., & Etiemble, F. (2020). The Invincible Company: How to Constantly Reinvent Your Organization with Inspiration from the

		World's Best Business Models (Vol. 4). John Wiley & Sons.
	Session 16: Group Presentation Assignment & Consultations • Preparation Group Presentation • Expectations & Evaluation Criteria	*Optional:* Adamson, Gary & Pine II, B. & Steenhoven, Tom & Nelson, Jodi. (2006). How storytelling can drive strategic change. Strategy & Leadership. Vol. 34, pp. 36-41.
Week 10	**Session 17: Innovation & Strategy: Leading Competition through Innovative Thinking** • The Innovation Process • Individual & Organisational Creativity • Sources of Innovation	Cooper, R.G., "Third-generation new product processes", Journal of Product Innovation Management 11, 1, 1994, pp. 3-14. Urban, G.L. & Von Hippel, E.A., "Lead user analyses for the development of new industrial products", Management Science, 34, 5 (May 1988), pp. 569-582. *Optional:* Von Hippel, E.A., The Sources of Innovation. New York: Oxford University Press, 1988.
	Session 18: Open Innovation – A New Strategic Paradigm • Archetypes of Opening up the Innovation Process • Innovative Leadership • Organisational Perspectives on the Open Innovation Approach	O. Gassmann and E. Enkel, "Towards a Theory of Open Innovation: Three Core Process Archetypes," R&D management Conference, Lisabon, 21-24 June 2004, pp.1-18 *Optional:* Chesbrough, H.W.: Open Innovation – The New Imperative for Creating and Profiting from Technology, Boston MA 2002. Dyer J., Gregersen H., and Christensen C. (2011), The Innovator's DNA: Mastering the Five Skills of Disruptive Innovators, Harvard Business Press, Boston.
Week 11	**Session 19: Emerging themes: Strategy & Sustainability** • Sustainability • Circular Business Models	• Hellweg, E., (2013), Is Your Company Ready for the Circular Economy?, Harvard Business Review, January 25, 2013 (4 pages),
	Session 20: Emerging themes: Strategic Entrepreneurship • Agile Lean Startup Approach	• Blank, S. (2013). "Why the lean start-up changes everything." *Harvard Business Review*, 91(5), 63-72
Week 12	**Session 21: Group assignment presentations (1)**	

	Session 22: Group assignment presentations (2)	
Week 13	**Final Exam**	

FIELD TRIPS

- Fieldtrip to Impari Moda (week 2)
- Visit to and Workshop at IdeaLab.Systems (week 3)
- Company Visit at Freshworks Berlin (week 5)
- Fieldtrip to ROAM (week 10)

REQUIRED READINGS:

Barichello, L.B., Garcia, R.D.M., Siewert, C.E., Hill, T., Westbrook, R. (1997). SWOT analysis: It's time for a product recall. Long Range Planning. Vol. 30.

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, *17*(1), 99-120.

Blank, S. (2013). “Why the lean start-up changes everything.” *Harvard Business Review*, 91(5), 63-72

Cooper, R.G., “Third-generation new product processes”, Journal of Product Innovation Management 11, 1, 1994, pp. 3-14.

Daly, P. & Walsh, J. (2010). Drucker's theory of the business and organisations: Challenging business assumptions. Management Decision. Vol. 48, pp. 500-511.

Dyer, J. H., & Singh, H. (1998). The Relational View: Cooperative Strategy and Sources of Interorganizational Competitive Advantage. *The Academy of Management Review*, *23*(4), 660–679.

Granovetter, M. S. (1973). The Strength of Weak Ties. American Journal of Sociology, 78(6), 1360–1380.

Hellweg, E., (2013), “Is your company ready for the circular economy?”, Harvard Business Review, January 25, 2013 (4 pages)

Hofbauer G & Sangl A 2019a, ‘The German Automotive Industry as a Driving Force for Innovation’, American Journal of Engineering Research, vol. 8, no. 10, pp. 90-99.

Kim, W. C., & Mauborgne, R. (2005). How to create uncontested market space and make the competition irrelevant. Harvard Business Review, 4, 13.

Leschik, D., Rossberger, R., & Oczkowski, E. (2020). M&As in Germany: Measuring success for the pharma and biotech industries. Journal of Business Strategy https://doi.org/10.1108/JBS-07-2020-0153

Mintzberg, H., McCarthy, D. J., & Constantinos Markides. (2000). View from the Top: Henry Mintzberg on Strategy and Management [and Commentary]. *The Academy of Management Executive (1993-2005)*, *14*(3), 31–42.

Mohammadi, R. (2023). The Role of Strategic Foresight on Dynamic Capabilities. International Journal of Management Economics and Social Sciences. 3. 40-45.

Osterwalder, A., & Pigneur, Y. (2011). Aligning profit and purpose through business model innovation. *Responsible management practices for the 21st century*, 61-76.

Porter, M. E. (2008). “The five competitive forces that shape strategy”. Harvard Business Review, 86(1), 25-40.

Porter. M. (2001). “The Value Chain and Competitive Advantage”. In Barnes, D. (2001), “Understanding Business Processes”, Psychology Press – Chapter 5, pp. 50-66.

Prahalad, C.K. And Hamel, G. (1990) "The Core Competence of the Corporation", Harvard Business Review, Vol 68, n.3, pp. 79-91.

Schreyögg, G., & Sydow, J. (2011). Organizational Path Dependence: A Process View. *Organization Studies*, *32*(3), 321-335.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, *18*(7), 509–533.

Urban, G.L. & Von Hippel, E.A., “Lead user analyses for the development of new industrial products”, Management Science, 34, 5 (May 1988), pp. 569-582.

OPTIONAL READINGS

Adamson, Gary & Pine II, B. & Steenhoven, Tom & Nelson, Jodi. (2006). How storytelling can drive strategic change. Strategy & Leadership. Vol. 34, pp. 36-41.

Amit, R., Zott, C. (2012). Creating Value Through Business Model Innovation, Sloan Management Review, Vol. 53 (3), pp. 41 – 49.

Ansoff, H. I., 1965. Corporate Strategy, New York: McGraw-Hill

Antikainen, M., & Valkokari, K. (2016). A framework for sustainable circular business model innovation. Technology innovation management review, 6(7).

Chesbrough, H.W.: Open Innovation – The New Imperative for Creating and Profiting from Technology, Boston MA 2002.

Dyer J., Gregersen H., and Christensen C. (2011), The Innovator’s DNA: Mastering the Five Skills of Disruptive Innovators, Harvard Business Press, Boston.

Gausemeier, J., Fink, A. and Schlake, O. (1998). Scenario Management: An Approach to Develop Future Potentials, Technological Forecasting and Social Change, Vol. 59, No. 2, pp. 111–130.

Gillespie, A. (2007). PESTEL analysis of the macro-environment. Foundations of Economics, Oxford University Press, USA.

Hanke, S. & Wessel, L. (2024). Designing for Digital Transformation in a Society of Smartness: Conceptual Cornerstones, Design Implications, and a Road Ahead. Foundations and Trends® in Information Systems. Vol. 8, pp. 216-341.

Heracleous, L., & Murray, J. (2001). The urge to merge in the pharmaceutical industry. European Management Journal, 19(4), 430–437.

O’Reilly, C.A., & Tushman M.L. (2008), Ambidexterity as a dynamic capability: Resolving the innovator's dilemma, Research in Organizational Behavior, Vol. 28, pp. 185-206.

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Scheel, A., Hanke, St.: Social Media as Innovation Laboratory – Data kraken or useful tool for managing innovation, R&D Management Conference 2018 "R&Designing Innovation: Transformational Challenges for Organizations and Society", 30th, June – 4th July 2018, Milan, Italy. 1-9.

Schreyögg, G., & Kliesch-Eberl, M. (2007). How dynamic can organizational capabilities be? Towards a dual-process model of capability dynamization. *Strategic Management Journal, 28*(9), 913–933.

Von Hippel, E.A., The Sources of Innovation. New York: Oxford University Press, 1988.

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