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knowledge
to compete

**Strategic Management
BUSI 4609 A and B – FALL 2014**

- Professor:** Ian Lee, PhD
ian.lee@carleton.ca
- Class Schedule:** **4609 A: MONDAY 8.30 - 11.30 in SA 415**
4609 B: WEDNESDAY 8.30 - 11.30 in SA 415
- Office Hours:** Meeting arranged within 24 hours of email request
- Office:** Room 307 Dunton Tower
- Required Text:** Hitt, Ireland & Hoskisson, Strategic Management, 11th Ed. (Concepts ONLY – paperback), (2014), Cengage Learning ISBN: 9781285425184
Hitt is past President of Academy of Mgmt & past President of Strategic Mgmt Society
- Prerequisites:** Fourth-year standing in B.Com and successful completion of all 2000 and 3000 level courses in the major requirement. The Sprott School enforces all prerequisites. Failure to meet the prerequisites may result in your deregistration from this course any time into the term.

COURSE DESCRIPTION

Strategic Management is the business school capstone course completed in the final 4th year of study that focuses on strategy making in for-profit business corporations. Each student must select a publicly traded firm in Canada, US or Europe, and develop a comprehensive strategic analysis of the firm from “scratch” – no canned case study provided. Students are expected to analyse, identify and evaluate environmental opportunities and threats in the economic, technological, demographic and political-

legal environments in light of identified strengths and weaknesses in the organization's value chain, in order to craft a sustainable competitive advantage by recommending changes to specific firm core competencies. Emphasis is on corporate and business level strategic analysis, strategy formulation and implementation. The course serves to integrate and synthesize knowledge acquired in the functional disciplines in a business school by application of acquired functional skills to corporate and business strategic analysis. The capstone course is similar to the Honours dissertation course in other social science departments e.g. political science. In this course, students are expected to undertake very extensive applied empirical research using Statistics Canada, US Census Bureau and US BEA, OECD, IMF, and OECD government department databases eg US BLS as well as private databases such as Bloomberg, Capital IQ, EIU, Mergent, Factiva, Business Source Premier.

COURSE OBJECTIVES

1. To familiarize the student with strategic thinking and its component elements, the identification of strategic options and techniques for strategy selection.
2. To integrate the functional knowledge acquired in past business courses by applying those functional skills to analyse a single firm and recommend appropriate strategies.
3. To understand key strategic concepts such as corporate strategy, business strategy, driving forces, key success factors, value chain analysis, economies of scope, core competencies and sustainable competitive advantage.
4. To significantly enhance applied business research skills as well as presentation skills.

APPLIED BUSINESS RESEARCH

This is an extremely demanding course. You are **required** to complete very extensive applied empirical business research for this course - as there is **NO** case study provided. You must select a business firm, research the firm and develop a strategic analysis of approximately 100-150 pages - double spaced.

Students must organize themselves into a group of a maximum of 3 people. Each group must select:

- a publicly traded firm in any industry

- MINIMUM of most recent 3 years of financial statements available

- NOT analyzed by a 4609 group at Spratt in last 24 months – see Ineligible List

The Carleton University Library has prepared an intensive tutorial for the second class, that provides an excellent overview of the significant electronic database resources available as part of your tuition fees: <http://www.library.carleton.ca/research/course-guides/busi-4609>

EACH student is expected to attend in order to acquire the research skills necessary to complete the course. There is an attendance grade of 1% for attending.

The Carleton Library subscribes to the following electronic databases:

Bloomberg

Capital IQ

Factiva

Business Source Premier

Economist Intelligent Unit (EIU)

GMID

Global Competitiveness Report

Statistics Canada, US Census Bureau & US Bureau of Economic Analysis & Eurostats

OECD, IMF, World Bank, WTO, International Energy Agency, UN agencies

Canadian & US Government Department publications, studies, research reports

You are expected to read recent business media articles e.g. Wall Street Journal, Financial Times, Reuters, Bloomberg, Globe and Mail ROB, Economist, New York Times, Washington Post, concerning economic, political, technological trends, the firm, competitors and the industry you select. The Library provides access to each of these: <http://www.library.carleton.ca/research/course-guides/busi-4609/business-news>

Every section of your assignments, presentation and final report **MUST include metrics** and **empirical normalized data** to support what you are arguing throughout. Assignments, presentations or final reports that do not include substantial data and metrics will receive a grade in the lower regions – including failure.

GROUP SELECTION AND CONFLICT

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. If

you have a group assignment you may find the resources at http://sprott.carleton.ca/academic_programs/groupwork useful. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

Students will organize themselves into groups of 3 – MAXIMUM. I do NOT select your partners. You do and are thus responsible for your choices.

Each student should keep working papers and estimated time spent on his/her research and preparation on his/her contribution.

Each term, on average 1-2 groups experience conflict concerning the relative contribution of each student. Try to resolve it amongst yourselves.

As a last resort, if the conflict cannot be resolved, you can provide the documentation to me and request that the group be broken into 1 groups: a group of 2 students and a group of 1 student.

Each group will share ownership of the assignments on which all their names appear. The group of 2 and the group of 1 will continue analysing the same firm.

However, you will present separately and neither will witness the presentation of the other group.

WARNING: It is not a defence to the decision to argue “the other two students do not like me”. Students are VERY self-interested. If your group colleagues do not like you, it is because you are not performing and are pulling down their grade. In other words, you are a value-destroyer – not a value-creator.

WARNING: You will not be evaluated by a lower standard in recognition of the increased work load due to the smaller group size.

WARNING: Do everything possible to ensure harmony and equitable sharing of the research and work. Otherwise, each of you will pay a price in increased work load and a probable lower final grade.

LOGIC: You are about to enter the business or professional world where you are responsible for your own choices and decisions.

Company/Firm Selection Policy

It is the responsibility of the student group to select the business firm that will be the basis of the assignments and comprehensive strategic analysis. It is the students' responsibility to undertake the research necessary to determine if sufficient information is available. The selection of a business firm is an assurance by the students to the professor, that there is sufficient information available to complete the assignments and strategic analysis. Authorization by the professor is to ensure that two groups do not select the same business firm or an ineligible firm. Should it subsequently become apparent that there is insufficient information to adequately complete the assignments, it is the students' responsibility to change firms and obtain authorization of the new firm. The students may change the selection of the business firm at any time prior to the due date of the second assignment, but must receive the necessary approval. No extensions in assignment deadlines will be granted and the final report must fully analyze the last authorized firm.

Authorization by the professor is not a guarantee that there is sufficient information. Each student is responsible for selecting his/her partners and the business firm to be analyzed, having ensured the adequacy of information available to complete the required exhaustive, comprehensive strategic analysis.

A listing of firms authorized for each group will be circulated to faculty in the School of Business, so that business faculty members are informed of student choices. Although a firm that the student has selected in another course is eligible for the capstone project, you are reminded it is a violation of academic plagiarism policy to submit substantially the same analysis for two courses.

Suggestions for Selecting your Firm

Avoid corporations that operate in multiple businesses eg GE, as too complex

Avoid firms doing business on multiple continents eg McDonalds – too complex

Avoid very small firms eg less than 500 employees, due to insufficient information

Eligibility of Firm for Capstone Project

➤ no 2 groups may select the same business firm in the same course section

- firms analyzed in past 24 months in capstone course are NOT eligible, nor are any other firms indicated on the ineligible list posted to WEB CT
- **firm must be publicly listed** (i.e. TSX, NYSE, NASDAC) for at least the last 3 years
 - government departments, agencies & crown corporations are NOT eligible
 - not-for-profit organizations (NGOs) are NOT eligible for selection
 - bankrupt, delisted firms, privately held firms are NOT eligible
- firm analyzed in previous courses by a student is eligible – provided that the student discloses this information to the professor in writing in the first assignment
- **entire firm MUST be analyzed – not a division or subsidiary**, and must include all markets within which the firm operates (i.e. diversified multinationals should be avoided)
- student responsibility to ensure there is sufficient information to complete all the assignments and the final report.

ATTENDANCE AND PARTICIPATION

Students are encouraged to actively participate in all classes by being adequately prepared (i.e. having attentively read the text chapters and any assigned articles). The final exam will include questions pertaining to all aspects of strategy discussed during the class, whether or not found in the text. Students will find the final exam very difficult if classes are missed or if the readings have only been skimmed.

There is a grade of 5% for participation during the group project presentations. Roll call may be taken at the beginning and the end of class. If you are only present for one roll call, you are deemed to be absent. The quality of your interventions with the presenting groups (as judged by the professor) will constitute at least half of the participation grade, recognizing you must be present to participate in discussions.

CHANGE OF GRADE

Informal requests for grade increases are **ALWAYS** denied. I have taught strategy capstone for 25 years and undertook strategy analysis of firms for almost 10 years in banking. This course is fully transparent to anyone. All student deliverables are retained for 3 years i.e. exam, assignments, presentation and final report. The student may file an appeal of the final grade pursuant to university regulations. NO professor

can sit on the Appeal Committee of a student challenging the grade of that professor. I provide all documentation to the Appeal Committee.

Criteria for Evaluation and Grading – Course Professor does ALL GRADING

Assignments, verbal presentations and the final capstone project report are evaluated and graded on a “relative” and not “absolute” scale. Each student document is read in its entirety, in order to have a sense of the quality of each document, compared to all other student case analyses in that class. Written comments are provided throughout the written assignments and final report.

The assignments and case analyses are then sorted into four categories of: excellent (= A), very good (=B), fair (= C), poor (= D or F) based on the quality of critical thinking/strategic analysis, quality of written or verbal expression, quality of integration with course materials and ideas, and overall effectiveness. Those student analyses in the excellent category are comparatively better than any of the other student analyses. Those student analyses in the “good” category, are comparatively less well written or logical or researched, relative to the excellent analyses, but are still of good quality. The student analyses in the “fair” category are of a comparative lower quality than student analyses in the “good” category. Finally, those case studies classified as “poor”, are usually poorly researched, poorly documented, poorly argued and poorly written.

Each student paper is then reread a second time, in each category and three secondary gradations within the category are created e.g. A+, A or A-, B+, B or B-, C+, C, D or F. Additional written comments are also provided during the second reading.

NOTE: Every section of each of the 3 assignments, presentation and final report MUST include data and metrics. Assignments, presentations or final reports that do not include substantial data and metrics will receive a grade in the lower regions – including failure.

I have taught the strategy course on 5 continents in the world over the past 25 years. I have taught, on average, 5 strategy courses per year since 1988 at my home university. In addition, I taught, on average, 3 strategy courses a year for other universities. Assuming 10 strategy courses per year and an average of 15 case presentations and written case analyses per course, I evaluate approximately 150 student case analyses each year. Over a 25 year teaching career, I reviewed and evaluated over 3,000

strategy capstone case analyses. This database of experience provides deep and extended comparative benchmarks.

Automatic Failure: Failure to write the final exam, or failure to submit the final report and presentation slides (paper & WEB CT Drop Box versions) will result in an automatic failure of the course (an “F” grade) and an FND grade (in case of missed Final exam or project).

Additional Guidance on Citations/Bibliography:

Equally important, you are being graded in part on the degree, depth and quality of your empirical research, demonstrated by citations to appropriate sources. A minimal number of citations points to inadequate research. Ensure that you cite every graph, table, report, quote, original idea or piece of information taken from somewhere else, to avoid plagiarism.

For citations footnotes - NOT endnotes - MUST be used. Given the amount of empirical research required, there should be footnotes for almost every page. When in doubt, cite, paying particular attention to correctly identify phrases as quotations with precise references to their source. Any use of more than 5 consecutive words is a quotation and should be cited accordingly.

Footnotes:

Every source for citations, statistics, tables, etc. should be sequentially referenced to a footnote at the bottom of the page. Full information should be provided to allow a reader to know exactly where you obtained the data, remembering that direct quotations require the specifics of page number. When a subsequent citation is made to the exact same one that proceeds you may identify it as *ibid* (for more details see http://www.chicagomanualofstyle.org.proxy.library.carleton.ca/16/ch13/ch13_sec064.html).

Bibliography:

It is important that you follow a recognized style to present a comprehensive bibliography that ensures an integrated alphabetical order and recognizes multiple citations to same year documents from a common source.

Be consistent when ordering your citation sources so that like items are grouped together. For example, Natural Resources Canada may also be referred to as NRC (both of which are acceptable), however in ordering citations from multiple NRC

documents select one format and list consecutively by date (from oldest to most recent).

Guidance provided by the Academy of Management in its Style Guide may be found at: http://journals.aomonline.org/amj/style_guide.pdf - see from page 4 for details (disregard the *in-text*, *in-parenthesis* identification, as the required use of footnotes replaces this format).

It is strongly recommended that you designate an editor for your Capstone report to validate the coherence of your document, ensure that all required elements have been included and that all citations are accurate and correctly included in the bibliography.

STUDENT DELIVERABLES

Students will assign themselves to groups of **no more than three**. Each group must select an approved for profit publically traded business firm (ineligible firms are listed on web CT) that will be the basis for the assignments, presentation and final report as follows:

1. Each group will prepare three assignments worth 5% each. The three assignments represent the first draft of your final case study report. Each part must contain an executive summary as page 1 (placed before TOC).
2. Each group must make a verbal presentation to the class based on the research embodied in the three assignments (worth 10% of the final grade), lasting no longer than 30 minutes. There will be a 10% deduction for overtime presentations. The assigned mark will be based on the quality, effectiveness and professionalism of the presentation. NOTE: An Executive Summary or a summary sheet/pamphlet with the highlights of your presentation/report must be distributed to the class on the day of presentation. Each group must print the PowerPoint slides with 6 slides to a page to be given to the Professor (only) when the presentation is given. Failure to make the presentation will result in an automatic failure of the course.
3. The final written capstone project report (worth 35%) must be submitted to the Instructor **7 days after the verbal presentation** in both hard and soft copy format (include both a word file and as a PDF file). The length of the written report depends on the firm chosen and whether it is diversified or not (remember in business). Please ensure that a one single spaced page Executive Summary is the first page of your final report followed by the table of contents.

NEW: At the beginning of each section within each assignment – and the final report, we require the student who mostly authored that section to provide his or her name as author e.g. Socio-Cultural or Operations in the 2nd assignment.

NOTE: Please burn a CD of the final report (in word and as a PDF), the presentation in PowerPoint, your executive summaries and your one page handout and submit this along with the hard copy of your final report & summaries one week after your presentation.

Your final grade will be NOT be submitted all requirements are submitted to your instructor (the CD must be readable - label your file with the firm name).

Failure to submit the final report, executive summaries, slides and handout in both hard and soft copy will result in an automatic course failure.

4. There is an attendance and participation grade of 5% during the last 5 weeks of the course.

5. There is a compulsory multiple-choice FINAL exam (based on the text book and the lectures) scheduled the week before the presentations commence. It is worth 35% of the final grade.

GRADING SYSTEM

Three group assignments 3 @ 5% each	15%
Verbal case presentation	10%
Written Case Report	35%
Final Examination	35%
Attendance presentations	5%
TOTAL	100%

4609A & B – MONDAY & WEDNESDAY - CLASS SCHEDULE*

- Sept. 8/10 Review 4609 syllabus philosophy, purpose, deliverables, exam
Create student groups & review criteria for group firm selection
Set presentation dates for each group
Intro to Corporate and Business Strategy – after break
- Sept. 15/17 **Compulsory Library Business & Stats Database Tutorial:**
Frances Montgomery, Manager, Government Documents and
Trish O’Flaherty, Business and Economics Specialist
Monday: Library - Room 252
MANDATORY ATTENDENCE - DO NOT MISS THIS CLASS
- Sept. 22/24 Chapter 1 & 2: Macro & the External Environment
Review theories and Assignment #1 deliverables
- Sept.29/1 Chapter 3: Internal Environment: Value Chain Analysis
Review I/O Theory of the Firm vs Resource Based Theory
ASSIGNMENT # 1 DUE
- Oct. 6/8 Chapter 6: Intro to Corporate Level Strategy
Review similarities and differences btwn corporate level strategy and corporate
finance: value creation vs wealth maximization
- Oct. 13/15 Chapter 4: Business Strategy
Chapter 5: Competitive Rivalry & Competitive Dynamics
Theories of sustainable competitive advantage

ASSIGNMENT 2 DUE for BOTH SECTIONS on Oct 15
- Oct. 20/22 Chapter 8: Corporate Strategy - International
Chapter 7: Mergers and Acquisitions
Chapter 9: Cooperative Strategy
- Oct 27 to Oct 31, 2013, FALL BREAK: Graded Assignment 2 available for students
Will accept Assignment 3 early
- Nov. 3/5 In Class **FINAL EXAM** – Makeup exam with medical certificate in mid Feb 2015
ASSIGNMENT #3 DUE
- Nov. 10/12: G1 PPT; G2 PPT; G3 PPT
Nov. 17/19: G4 PPT; G5 PPT; G6 PPT
Nov. 24/26: G7 PPT; G8 PPT; G9 PPT
Dec. 1/3: G10 PPT; G11 PPT; G12 PPT

IMPORTANT ADDITIONAL INFORMATION

Please check the University's important dates & deadlines (<http://www.carleton.ca/cuuc/university/academicyear.html>) for information on this term's start & end dates, holidays and drop deadlines).

Required calculator in BUSI course examinations

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100 B+ = 77-79 C+ = 67-69 D+ = 57-59

A = 85-89 B = 73-76 C = 63-66 D = 53-56

A - = 80-84 B - = 70-72 C - = 60-62 D - = 50-52

F = Below 50 WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred (See above)

FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

Academic Regulations, Accommodations, Plagiarism, Etc.

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodations

Academic Accommodations for Students with Disabilities

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or

pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your *Letter of Accommodation* at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

- - The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2014 exam period is November 7, 2014 and for the April 2014 exam period is March 6, 2014.

For Religious Obligations:

Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

For Pregnancy:

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance

at <http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/>.

Assistance for Students:

Student Academic Success Centre (SASC): www.carleton.ca/sasc

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

Peer Assisted Study Sessions (PASS): www.carleton.ca/sasc/peer-assisted-study-sessions

Important Information:

- Students must always retain a hard copy of all work that is submitted.
 - All final grades are subject to the Dean's approval.
 - Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from us. However, for us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>
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