

M & IS 44285: Integrated Business Policy/Strategy

Spring 2014

Instructor: Dr. Jay Weinroth

Kent State University

TEXTBOOK: The textbook for this course is Hunger and Wheelen, Essentials of Strategic Management, 5th edition --Prentice-Hall, Boston, MA. 2004. The book is available at the university bookstore. All assigned readings shown in the class schedule are from this book.

CONTACT WITH THE INSTRUCTOR.

Please be aware that I expect all our e-mail communications to use gweinroth@gmail.com. I do NOT check KentMail on a regular basis.

UNIVERSITY LOGISTICS

- A. Students attending the course who do not have the proper prerequisite risk being deregistered from the class.
- B. Students have responsibility to ensure they are properly enrolled in classes. You are advised to review your official class schedule (using Student Tools/Flashfast) to ensure you are properly enrolled in this class and section. Should you find an error in your class schedule, correct the error with your advising office. If registration errors are not corrected and you continue to attend and participate in classes for which you are not officially enrolled, you are advised now that you **will not** receive a grade at the conclusion of the semester for any class in which you are not properly registered. Check with the Undergraduate Programs Office of the College of Business 330 672-2872.
- C. Academic Honesty: Cheating means to misrepresent the source, nature, or other conditions of your academic work (e.g., tests, papers, projects, assignments) so as to get undeserved credit. The use of the intellectual property of others without giving them appropriate credit is a serious academic offense. It is the University's policy that cheating or plagiarism result in receiving a failing grade for the work or course. Repeat offenses result in dismissal from the University.
- D. If needed, check with the Undergraduate Programs Office as to the official deadline for the semester for withdrawing from an individual class. Withdrawal before the deadline results in a "W" on the official transcript; after the deadline a grade must be calculated and reported.

E. Students with disabilities. University policy 3342-3-01.3 requires that students with disabilities be provided reasonable accommodations to ensure their equal access to course content. If you have a documented disability and require accommodations, please contact the instructor at the beginning of the semester to make arrangements for necessary classroom adjustments. Please note, you must first verify your eligibility for these through Student Accessibility Services (contact 330-672-3391 or visit <http://www.registrars.kent.edu/disability/> for more information on registration procedures).

F. GRADUATION INFORMATION FOR SENIORS: It is your responsibility to apply for graduation before the set deadline. I am told that if you apply after the deadline you will be assessed a \$200 late fee. Please see your academic advisor as soon as possible if you are uncertain as to your progress toward graduation. The office of Undergraduate programs will advise you as to the deadline for this process.

To apply for graduation complete the following steps:

Log onto your Flashline account

1. Click on the Student Tools tab
2. Look in the Graduation Planning Tool Box
3. Click on Application for Graduation

****If an error message appears, you must contact your advisor.**

COURSE REQUIREMENTS

Due Dates for Assignments.

The due dates for your team's first-draft and final presentations (four each) are shown in the course schedule within this syllabus. There are also eight in-class team exercises and the dates for these are NOT announced ahead of time.

Alternate grades for any team encountering major problems of individual members not doing their share of the work.

Note that all assignments are team assignments. Therefore there is a process that I as the instructor will initiate for any particular team at their request. This is an alternate grade for the work done by each individual on the team, based on detailed observations (journal entries) from every member of the team of the specific work done in the time period in question by each member of the team. Based on the information provided by these journals, the instructor will generate individual grades based on (1) the quality of the team's output and (2) the evidence from the journals as to the specific contributions to the team's effort by each team member. Note that this evaluation will be used only at the request of a majority vote by the team's members in the event that problems of individual responsibility arise. I hope this alternate grading process will not be needed.

Summary of assignments:

Assignment	Points
8 in-class exercises	400
4 first draft presentations	200
4 final presentations	400
Total	1000

Grading scale: A 89, B 79, C 67, D 55 F 0
Plusses and minuses will not be used.

Note on how I assign scores for assignments. For example, suppose you receive a grade of 90 on one of your assignments which counts for 50 points out of the total of 1000. I multiply 50 points by 90 percent and record a grade of 45 points for this assignment.

DESCRIPTION OF THIS COURSE --

The focus of the course is the strategic audit. A strategic audit is a method used by an organization to assess its current competitive situation and derive from this information a plan for the future. The first explanation about the strategic audit is given in the next couple of paragraphs here and your studies in this course will go into much detail about

such an audit. Your team will select a corporation to study and, using information you acquire from the Internet, you will construct your own case study and apply the method of a strategic audit to your case study. One major source of information for you is the corporation's reports to stockholders, usually under "Financials" on the corporate web site. Remember that the annual reports show the organization in the best light possible and definitely require you to look for confirmation or denial of their claims and to use your logical ability to see if what is being claimed makes sense.

Business Policy/Strategy is the capstone course for all graduating seniors in the College of Business. Why? Do we expect you to have job responsibilities formulating strategy for your organization? And what is strategy anyway? A strategy is a plan for achieving some objective. Strategies are used, often without being labeled as such, in games, business endeavors, and personal goal-seeking, and many other areas of life. Any well-run business or not-for-profit organization follows a strategy and the top managers are responsible for that strategy. The strategy helps determine whether the organization will succeed in its endeavors. While you may never be responsible for the strategy of the organization for which you work, understanding the role of strategy is an essential part of your complete training at the college of business.

Note that this course is Writing Intensive.

THE PATH WE WILL FOLLOW THROUGHOUT THIS COURSE --

The textbook authors, Hunger and Wheelen, are well known for their model of the "strategic audit." In this course we will follow the sequence of analytic steps they recommend. See the diagram of the process below. The first three stages are the External Factors Analysis Summary (EFAS), the Internal Factors Analysis Summary, (IFAS) and what the authors call a TOWS matrix (SWOT backwards), involving a derivation of four categories of possible new strategies based on combinations of the firm's strengths and weaknesses. The fourth stage is a pro forma profit and loss projection for several years into the future for the case company, followed by summary thoughts on implementation.



IMPLEMENT & MONITOR

Your presentations of the three Analysis Summaries (INTERNAL FACTOR ANALYSIS SUMMARY – IFAS, EXTENAL FACTOR ANALYSIS SUMMARY – EFAS, AND TOWS –) will have a simple and clear structure – present the items in your analysis table following the examples in the textbook, using the facts you gather from the Internet, and **identify the data source** for each item in the table you present. Building on your internal and external factor analysis summaries, you are seeking the best new competing strategies for your case company out of all the possibilities in the TOWS matrix.

NOTE – MY WRITING REQUIREMENTS FOR YOUR WORK IN THE STRATEGIC AUDIT –

In the IFAS, the EFAS, and the TOWS matrix, in addition to necessary documentation to prove your point, you write a ONE PARAGRAPH explanation of each of the ten factors in your IFAS and EFAS, and each of your proposed strategies in the TOWS matrix (minimum of eight strategies, two for each of the four quadrants in the TOWS).

In the next to last stage of the strategic audit, you complete a common size analysis to provide a perspective on the ratios between revenues and costs in your company, and a pro forma spreadsheet (format to be provided by the instructor) for your choice of the organization's best new strategy. Here you provide a ten paragraph explanation of (1) the entries in your spreadsheet which represent your strategic assumptions and (2) the costs and benefits shown, including the transition over the span of three projected years in the future.

An example of one of the analytic tables you will present follows.

External Factor Analysis Summary (EFAS) Maytag Example

External Factors	Weight	Rating	Weighted Score	Comments
Opportunities				
1. Economic integration of European Community	.20	4	.80	Acquisition of Hoover
2. Demographics favor quality appliances	.10	5	.50	Maytag quality
3. Economic development of Asia	.05	1	.05	Low Maytag presence
4. Opening of Eastern Europe	.05	2	.10	Will take time
5. Trend to "Super Stores"	.10	2	.20	Maytag weak in this channel
Threats				
1. Increasing government regulations	.10	4	.40	Well positioned
2. Strong U.S. competition	.10	4	.40	Well positioned
3. Whirlpool and Electrolux strong globally	.15	3	.45	Hoover weak globally
4. New product advances	.05	1	.05	Questionable
5. Japanese appliance companies	.10	2	.20	Only Asian presence is Australia
Total Scores	1.00		3.15	

The one thing we will add to the Hunger and Wheelen model is a presentation of the **background history** of the company, inasmuch as we are creating our own case studies in this course. Explanations of the following items will be given in class.

1. Background – name, location, nature and history of the business. Products, annual sales, number of employees, branches, estimated daily volume of customers and sales, competition, reputation in the community.
2. Mission and vision.
3. A la Porter, organization's strategic situation: five forces; growth – stability – retrenchment; low cost – differentiation – stuck in the middle; other.

Your use of Ohio Link. You can access OhioLink directly at Ohiolink.edu or through your account on Flashline. Get to the page to enter the topic of search – for example lean manufacturing strategy at Toyota. You will get a list of papers that you can download and often print. Notice there is a box that can be clicked which is labeled scholarly publications only. You can see what you get by clicking this box but usually you will want to pursue your search by not clicking this box since clicking it will give you a literature search appropriate to the kind of paper a professor needs to write, rather than one relevant to current business events.

REQUIRED FORMAT FOR TEAM PRESENTATIONS (BUT NOT NEEDED FOR THE IN-CLASS EXERCISES):

The following requirements apply to all written assignments for this course.

1. Word-processed using Times New Roman font size = 12.
2. A cover page, displaying the course number, the date, the team number, the name of the assignment, the names of the team members, and an e-mail contact for the team's leader.
3. Except for the cover page, double-spaced.
4. Page numbers, beginning after the cover page.
5. Header beginning after the cover page, showing team number and name of assignment.
6. Where included, items labeled as Tables and referenced in your text. Example – Table 3. Five year profit and loss statement. Example – “see Table 3 for these numbers.”
7. Where included, figures numbered, labeled, and referenced in your text.
8. The various sections of the assignment, where appropriate, well marked and identified by section headings. Example –

4. Company Strengths.

9. Proper grammar, proper spelling, proper sentence structure and other considerations of style.
10. All components of content needed for the particular assignment.
11. Each of your major written assignments requires that you DOCUMENT your claims about strategic factors belonging to the case organization. For this documentation you will use the reference approach standard to management academic publications. Suppose, for example, you refer to an article on the Internet by Professors Smith and Brown published in 2004. At the appropriate place in the material you are presenting you will reference this work in the following manner –

“Within six months of the appointment of XXXXX as new CEO of ABC Corporation, approximately two-thirds of top management was replaced (Smith and Brown, 2004).”

Then, at the end of your assignment you will have a list of references, ordered alphabetically according to author names. For each work you reference, give full names of all authors, date of publication, title of the work, and where it appears.

OVERALL CONSIDERATIONS ON THE QUALITY OF YOUR WORK IN THIS COURSE— good answers, in the instructor’s judgment, are those that present relevant facts, intelligently chosen and helpfully organized, that focus on strategic issues for the firm, and that display creative and independent thinking.

The instructor will grade each report in the strategic audits on the following basis:

- accurate, highly relevant, and well organized presentation of facts concerning the firm’s strategic situation
- continuing focus on the history of the firm’s efforts to attain strategic advantage against its competition, particularly in the way it chooses to compete
- complete presentation of all the components of a strategic audit as shown in the textbook
- spell-checked writing, free of grammatical errors, and fairly free of clumsy writing (avoid unnecessary adjectives and adverbs, avoid unnecessary sentences, for example “Now we are going to present the next part of this material.” and so on.).
- time taken to think through what is interesting about the case and effort at original and creative solutions to problems, as shown in your arguments and conclusions
- focus on alternative strategic directions for the firm’s future and your demonstration, via the pro forma financial statement, of the preferred choice
- presentation of financial data in a format easy to understand and see at a glance.

As a standardized tool for returning grade scores to you, I will use the following page, complete with comments.

EVALUATION FORMAT

ASSIGNMENT:

	FAIL	POOR	FAIR	GOOD	EXCELLENT	SCORE
Organization \$ 10 points	0-6	6.1-7	7.1-8	8.1-9	9.1-10	
Exposition \$\$ 10 points	0-6	6.1-7	7.1-8	8.1-9	9.1-10	
Factual Integrity \$\$\$ 30 points	0-17	18-20	21-23	24-26	27-30	
Thematic Focus \$\$\$\$ 50 points	0-29	30-34	35-39	40-44	45-50	
					TOTAL	

\$	Logical, readable paragraphs with clear purpose and focused intent
\$\$	Grammar, spelling, punctuation and proper citations
\$\$\$	Credible and relevant documentation
\$\$\$\$	Integrated and well expressed overview of the strategic situation of the organization

COMMENTS:

COURSE PLAN BY DATE

PART ONE—placing your case company in its external environment and evaluating strategic significance of this environment

January 13 Week 1 class meets on January 17

Review course structure as presented in the syllabus

Review of Principles of Management –power point

Introduction to method of Strategic Audit – see syllabus

Form teams – complete individual information form

January 20 Week 2 –class meets January 24

Teams select their case companies

concepts in Chapter 1 – strategic thinking and strategic analysis

8 step method applied to KSU – KSU mission statement and related documents.

January 27 Week 3 – class meets January 31

Concepts in chapter 3-- EFAS construction. Maytag example –study and critique – compare with application of EFAS to KSU.

NEXT WEEK TEAMS SUBMIT draft versions of Presentation One. Determine today if each team knows how to proceed with this task.

February 3 Week 4 – class meets February 7

Concepts and construction of complete presentation of IFAS.

Submit draft of first presentation = company back ground AND EFAS.

February 10 Week 5 – class meets February 14

Oral presentations of final drafts (first presentation). Hard copy also due at time of class.

PART TWO – foundation for the case company's new strategy.

We will use the time remaining on February 10 after team presentations to begin Part Two material and continue this material in the following class.

–chapter 4 material -- resource based approach(RBA) – core competencies – distinctive competencies – sustained competitive advantage – famous examples.

February 17 Week 6 ---class meets February 21.

– Resource Based Approach continued

we will select one or more resource categories from each team's work and have them present a thorough analysis of the application of those categories to their case companies.

Here we integrate the criteria of inclusion in the analysis (serious decline in company performance, threatening developments in the industry, and so on) with the details of the case company's RBA and connect this analysis to your team's IFAS.

February 24 Week 7 –class meets February 28.

concepts of the Pro Forma spreadsheet.—we examine the formulas and structure of my template quite early in the semester so that you will be ready to work with it as soon as you need to.

Submit first draft of presentation two.

March 3 Week 8 class meets March 7.

Oral presentations of final draft for presentation two. Hard copy due at time of class.
–critique IFAS – compare with EFAS – derive potential distinctive competencies.

PART THREE—generating new strategies and evaluating them to select the best one

March 10 Week 9—class meets March 14

. Chapter 5. generate enhanced TOWS matrix for Maytag – explain, validate, explore application to case company. Time permitting, generate TOWS for KSU.

March 17 Week 10—class meets March 21.

– case study company's strategic profile – review leading strategies from TOWS in terms of TACTICAL capabilities of case study company. Examine famous examples in business and elsewhere of tactics related to strategy.

March 24 Week 11 – spring recess.

March 31 Week 12 – class meets April 4.

chapter 6. BCG (Boston Consulting Group) analysis – incorporate into team's work on TOWS.

Submit first draft of presentation three.

-- Apply BCG to KSU and to case company . integrate with teams' work on CCST (Competitive and corporate strategy table) table for case company.

April 7 Week 13—class meets April 11.

Oral presentations of final presentation three – extensive time to critique

PART FOUR – proceeding to test of proposed strategy for each team

April 14 Week 13.—class meets april 18.

Chapter 7.

apply implications of CCST to TOWS to pick best 2 strategies.

April 21 Week 14 –class meets April 25

Chapters 8 & 9 -- implementation. Test feasibility of pro forma answer in terms of implementation.

review concepts and individuals' work on Pro Forma analysis in preparation for submission of first draft FOR LAST MINUTE CORRECTIONS— teams work in class with the instructor

Submit first draft of presentation four.

April 28 Week 15—class meets May 2

Oral presentation of presentation four. Hard copy and spreadsheet on appropriate medium due at class time.

About in-class exercises, first draft presentations and final presentations.

In-class exercises. For several of our class periods, a portion of class time will be devoted to the teams working on an assigned exercise, for example, the Hunger and Wheelan model of the outline of the strategic decision-making process (figure 1.3 in textrbook) applied to the company your team has chosen for its case study. For each such exercise your team will select a manager to be in charge of the team process. You will work collaboratively to complete the information required in the exercise. I strongly recommend that at least one team member bring a laptop to class to record your team's work. Toward the end of the time period when your team is working on an exercise, one of the teams in our class will volunteer or otherwise be chosen to give an oral report of their work. Then within the next 24 hours following this class each team will send the team's completed exercise to the instructor as an e-mail attachment (use Word). As noted earlier in the syllabus, the strict format requirements for team Presentations do not apply to the in-class exercises.

First-draft Presentations. Your team will complete four first-draft presentations, as described earlier in this syllabus—see The Path We Will Follow Throughout This Course. These are trial versions of the corresponding Final Presentations. Following the course schedule you will submit a hard-copy of each first draft in class on the Friday when due and as instructor I will get e-mail comments back to you within the next 3 days so that you can incorporate my comments into the corresponding Final Presentation due the following Friday.

Final Presentations. Each team will present an oral report to the class based on their Final Presentation (4 such reports in all), as shown in the course schedule. You will need to use detailed power point presentations and you may make use of handouts and any other value-added features you wish to include The nature of these four final presentations is described in the material labeled The Path We Will Follow Throughout This Course and in the paragraph on first-draft presentations. Two special points apply. (1) for all the final presentations I expect you to seriously address the critical comments I

make on your first-draft. You do not have to agree with me in these but you do need either to follow my recommendations or explain in argument why you have not done so. (2) the fourth presentation, both in first-draft and final version, is different from the preceding ones in that in addition to your formal text you also submit on an agreed-upon device the EXCEL file of your pro forma spreadsheet, using my template.