20160 – CORPORATE STRATEGY

COURSE SYLLABUS A.Y. 2019-2020

Class 6 & 7
Instructors: Profs Giada Di Stefano (giada.distefano@unibocconi.it Roentgen 4th floor b2 02) & Charles Williams (charles.williams@unibocconi.it Roentgen 4th floor b2 07)

Dates       Hours       Room
Class 6, Feb 5 – April 8     8:45-12:00 (Mon)      N38
                      8:45-10:15 (Wed)      N38
Class 7, Feb 5 – April 8     14:30-17:45 (Mon)      N39
                      10:30-12:00 (Wed)      N39

For topics, readings, questions, and assignments see: http://blackboard.unibocconi.it.

Course objectives
Corporate Strategy is concerned with the formulation and implementation of strategy within large, complex companies—multi-business companies in particular. The objectives of the course are:

• To acquire competence in applying concepts, frameworks and tools required for analyzing corporate strategy.
• To recognize and understand the relationships between strategy, competitive context, organizational structure, management systems, and leadership style within the large corporation and appreciate the tasks involved in implementing strategy.
• To be more aware of the broader forces currently impacting large corporations and the ways in which companies are responding to these challenges.
• To gain familiarity with the strategic management issues that concern executives.
• To develop your skills in strategic analysis as well as oral and written communication.

Course format and style
The course is divided in two parts – we will first learn about corporate strategy, and then put the learning in practice.

To accomplish the former objective, we will go through 21 regular sessions, which correspond to Blocks 1 to 3 in the detailed schedule that follows. Most of these sessions will be devoted to case discussion where the task of analyzing the issues in the case will be undertaken by the class as a whole. In other sessions we will be expecting students to contribute their ideas on the issues being discussed and examples drawn from their personal experiences and from reading the business press. These classes might involve a discussion of academic articles or other in-class activities. As is recommended with the case teaching method, all discussions, and presentations will occur in the first part of class, with a debrief in the second half. We lead most in-class discussions in this course using the Socratic Method. Consistently, we will mostly act as moderators, and you should feel comfortable responding to in-class questions (aka “cold calls”). Such an interactive, hands-on approach is used to reveal the complexity and ambiguity of real-world situations.

Once we have discussed about the main concepts associated to corporate strategy, we will have the chance to put our learning in practice by means of a business game that will take place over two full days (see Block 4 in the schedule). The aim of this business game is to allow you to experience first-hand the concepts learned in class in a simulated business environment, where each of you will be part of the board of directors of a company operating
within a tech industry. In this role, you will be crafting and implementing your company’s corporate strategy by analyzing data and taking decisions pertaining to scope and growth modes, while interacting with other board members and negotiating with other companies.

Course materials
All course materials will be distributed through Blackboard, except for the cases identified in the schedule below as “distributed in class”. Readings that are copyright protected are available through the Library’s reserve service.

The business game will be run using a the GlobStrat simulation, a comprehensive strategic management simulation that enables participants to learn, understand and handle the responsibilities and tasks of a corporate executive committee.

Schedule / Course Content
The instructors reserve the right to change readings and schedule at any time during the course. Cases are to be read and prepared at home in advance before class, except for those identified in the schedule below as “distributed in class.”

<table>
<thead>
<tr>
<th>Session</th>
<th>Topic</th>
<th>Case/Readings</th>
<th>Assignment Due</th>
<th>Instructor</th>
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<tbody>
<tr>
<td>#1:</td>
<td>Introduction. What is (corporate) strategy?</td>
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<td></td>
<td>Di Stefano &amp; Williams</td>
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<td>Wed 05/02</td>
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<tr>
<td>#2–3:</td>
<td>Scope Decisions</td>
<td>Atelier des Chefs (distributed in class)</td>
<td>Di Stefano</td>
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<td>Mon 10/02</td>
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<tr>
<td>#4:</td>
<td>Vertical Scope</td>
<td>The Walt Disney Company</td>
<td>Di Stefano</td>
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<tr>
<td>Wed 12/02</td>
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<tr>
<td>#5–6:</td>
<td>Horizontal Scope</td>
<td>Ristorante D’O</td>
<td>Individual Case Memo #1</td>
<td>Di Stefano</td>
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<tr>
<td>Mon 17/02</td>
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<tr>
<td>#7:</td>
<td>Geographic Scope</td>
<td>L’Oréal: Attracting the next billion customers</td>
<td>Di Stefano</td>
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<td>Wed 19/02</td>
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<td>#8–9:</td>
<td>Social Scope</td>
<td>AES Telasi</td>
<td>Williams</td>
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<td>Mon 24/02</td>
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**Block 1: Scope**

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<tr>
<td>#10:</td>
<td>Resource Pathways</td>
<td>Niantic Labs</td>
<td>Williams</td>
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<td>Wed 26/02</td>
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<td>#11–12:</td>
<td>Alliances</td>
<td>Netflix streaming</td>
<td>Williams</td>
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<td>Mon 02/03</td>
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<td>#13:</td>
<td>Acquisitions</td>
<td>Unilever Seventh Generation</td>
<td>Williams</td>
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<td>Wed 04/03</td>
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<td>#14–15:</td>
<td>Exit</td>
<td>Tee Golf</td>
<td>Individual Case Memo #2</td>
<td>Williams</td>
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<td>Mon 09/03</td>
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**Block 2: Growth**

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<tr>
<td>#16:</td>
<td>Planning</td>
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<td>Wed 11/03</td>
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<td>#17–18:</td>
<td>Corporate Headquarter</td>
<td>Digitalization at Siemens</td>
<td>Williams</td>
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<td>Mon 23/03</td>
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<td>#19:</td>
<td>Corporate Structure</td>
<td>Nike Women’s Fitness</td>
<td>Williams</td>
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<td>Wed 25/03</td>
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<td>#20:</td>
<td>Strategic Renewal</td>
<td>DBS Singapore</td>
<td>Williams</td>
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<td>Wed 01/04</td>
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<td>#21:</td>
<td>Course Wrap Up</td>
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<td>Di Stefano &amp; Williams</td>
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<td>Wed 08/04</td>
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**Block 3: Implementation**

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<tr>
<td>#22:</td>
<td>Course Wrap Up</td>
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<td>Di Stefano &amp; Williams</td>
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<td>Wed 08/04</td>
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**Block 4: Business Game**

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<th>Assignment Due</th>
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<tr>
<td>Class 6</td>
<td>Sat 28/03 (08:45-18:30)</td>
<td></td>
<td>Di Stefano &amp; Williams</td>
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<td>Mon 30/03 (08:45-17:00)</td>
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<td>Class 7</td>
<td>Sat 04/04 (08:45-18:30)</td>
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<td>Di Stefano &amp; Williams</td>
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<td>Mon 06/04 (08:45-17:00)</td>
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Grading
Students can decide to take this class as either attending or non-attending students. Grading will always be on a 32-point scale, but the assessment criteria will be different.

Attending Students
As an attending student, your final grade will be determined as follows:

A. Class participation 10%
B. Case Memos 40%
C. Business Game 50%

Below is an overview of each grade component. The appendices provide more detailed information.

A. Class participation (10%)
We expect every student to be prepared to answer questions on every lecture. We might “cold-call” students – this means that you might be asked a question even if you have not raised your hand. In-class contributions are evaluated based on the degree to which they are relevant, original, fact-based, logical, and the extent to which they move the class discussion forward. Further details are provided in appendix A at the end of this syllabus.

B. Case memos (40%)
You hand in a brief memo related to two business cases discussed in the course during classes 5-6 and 14-15. The case memos are individually prepared and consist of the answers to three questions related to a business case. Each case memo will be graded independently and account for 20% of the final grade. Further details are provided in appendices B and C at the end of this syllabus.

C. Business Game (50%)
The final grade for the business game is based on two criteria, namely team performance in the game (60%), and team final report presented at the end of the business game (40%). Further details are provided in appendix D at the end of this syllabus.

Note that this course does not have a final exam for attending students. Still, you will need to register to the first exam in order to register your final grade.

Non-Attending Students
As a non-attending student, you are not expected to come to class, and should not deliver the case memos or participate to the business game. Instead, you will be evaluated through a closed-book 60-minute exam consisting of 16 short questions about the following textbook:
You can find a sample exam from 2018 posted on Blackboard.

Course office
Department of Management and Technology
Via Roentgen 4th floor room 4-C3-02
Students should contact the course office only for scheduling, and registration problems through the Help&Contact procedure in you@B. Please notify the professors of these problems as well.

Your Instructors
Giada Di Stefano is Professor of Strategic Management at Bocconi University, which she joined in February 2019. Giada taught previously at HEC Paris. She received her PhD in Strategy from Bocconi University.
Charles Williams is Professor of Strategic Management at Bocconi University, which he joined in June 2011. Charlie taught previously at Duke University and University of Illinois. He received his PhD in Strategy from the University of Michigan.
Office Hours
Both professors hold office hours by appointment. Please send an email to “book” a slot during the office hours along with the focus of the meeting. Office hours can be attended in groups or individually.

Norms of Behavior
In order to have a productive class, we kindly ask you to respect the following:

- Please do not use laptops or hand-held devices during class. This policy is draconian, we know, but it is based on research documenting the effect they have on you as well as your classmates. If you are interested, here are some articles on the topic:
  https://www.sciencedaily.com/releases/2017/06/170623133039.htm
  http://www.nytimes.com/2017/01/02/opinion/leave-your-laptops-at-the-door-to-my-classroom.html?

- Name tags – bring them.
- Missing Class – attendance is expected & participation counts.
- Communicating with the professors: Do not send the same request to each of us separately so that we do double the work to respond to it. Choose the one of us whose class it relates to or cc both of us.
- Please email before arriving for office hours and allow for 24 hours of notice.
- Class rep – Please use your class rep to share points of concern, confusion, and satisfaction – we always find it helpful when they gather feedback from the class or bring our attention to a simmering issue.
- Re-grading Policy: For any regrading request, we expect a written memo explaining why the work earned a high score (exam or project). If we agree there is cause for re-grading, we will re-grade the WHOLE ASSIGNMENT. This may lead to changes in grades of other parts of the assignment as well.

Università Bocconi conceives of education as an ongoing process that stretches across a person’s entire professional life. The University hopes that the entire Bocconi community will respect the values of fairness and correctness associated with it, values which inspire and guide the conduct of all community members as they pursue common objectives and a shared mission. We encourage all students to read the Bocconi University Honor Code, published at http://www.unibocconi.eu/honorcode.
APPENDIX A: CLASS PARTICIPATION

Overview
Developing your capabilities in strategic management is about acquiring understanding and insight. Class discussion plays a central role in this process. Please come to class having read the assigned case and having thought about the assignment questions.

To evaluate your class participation, we will assess your contribution to class learning, i.e.:

- Do you interact with fellow students and the professors regularly?
- Are your comments/questions well informed, reflecting careful analysis?
- Do your comments/questions add to our understanding of the case and show creativity?
- Do your comments/questions indicate you are a good listener: Do your comments link to previous contributions and follow the overall direction of the discussion?

Grading
Your class participation is graded out of 30. In practical terms, you should expect the following:

- Students who talk regularly, engage with their classmates and make sharp contributions can expect to earn 28-30 points.
- Students that attend most classes and contribute frequently – either by speaking, engaging with the speakers, and asking questions – can expect to earn 25-27 points.
- Students that attend class and occasionally contribute can expect to earn 18-24 points.
- Students that either skip class or never speak can expect to not earn any points.

Useful tips
- Read the case at least twice. The first reading provides you with a general sense of the "story" and of the types of information available. On the second reading, you should start to carefully take notes, sorting information into categories, and writing down answers to the study questions and asking new questions of your own.
- You may find it useful to undertake specific analyses (e.g., time-line of events, personnel profiles, funds-flow patterns, cost analysis, analysis of demand, industry analysis, etc.)
- The well-prepared student comes to class with a written outline of how he or she would answer each of the study questions associated with the day's case. Writing down your responses to the study questions imposes a valuable discipline on one's own thought processes, as it forces a level of specificity and clarity, and hence of case preparation, that otherwise might be absent. Good case discussions take the group farther than any one individual or study group was able to go on their own.
- For those of you who have not extensively used the case method before, please take a look at the videos available on this website: https://hsbp.harvard.edu/casestudyhandbook/, where professor Ellet provides an overview of case method from the students' perspective.
- A final word: There are many reasons why we choose to evaluate your class participation as part of your final grade in this course. None of it has to do with creating a competitive climate in the classroom – something we disapprove and discourage. Our primary goal is rather the opposite, and that is: that to create a safe and collaborative environment where each one of you can feel free to express his or her opinions and engage in fruitful (and sometimes spirited) conversation. Standing up for your opinions is a skill that will serve you well in life, personal and professional. And we invite you to start practicing it together with us in class. Second, we firmly believe in the importance of peer-to-peer learning. All of you come to this class after having earned a bachelor degree, and most of you have at this point had at least some work experience. You will find it surprising to discover how much you can learn from each other, if only you give it a chance. Third, and this is for those of you whose personality is more on the introverted side: we will sometimes ask for written contributions, so to reduce pressure and give everyone his or her chance to express an opinion. Still, we suggest you give a try to verbal contributions in class. There are simple strategies that can help you feel more at ease with it, such as the ones described in the videos here: https://youtu.be/rxR47dUlKM0 and https://youtu.be/t-WsJ7E4MoE. Speaking up is a skill that can be learned. Use our class to practice it.
Overview
You hand in a brief memo related to two business cases discussed in the course during classes 5-6 and 14-15. The case memos are individually prepared and consist of the answers to three questions related to a business case. Each case memo will be graded independently and account for 20% of the final grade.

Submission Method and Deadlines
The individual case memo is to be submitted on the online platform by Monday, February 17, 8:45am. Late submissions and submissions that do not follow the guidelines will be penalized.

Formatting Requirements
Word document of 3 pages, in which each question is answered using maximum one full page.
- Font: Times New Roman, 12-point;
- Line Spacing: 1;
- Page margins: 2,54 cm;
Points will be deducted for papers that do not adhere to these guidelines, and where there is any compression or any other font manipulation. You can add figures, tables, and references if need be – they do not count over the page limit.

Content
The memo should provide an answer to the following three questions:
1. How is the business model of Ristorante D’O different from the one of a typical 1-star Michelin restaurant?
2. Using Exhibit 9 and other facts contained in the case, estimate the profitability of D’O vs. the typical 1-star Michelin restaurant? What accounts for the difference?
3. What should Davide Oldani do regarding his growth options? Should he open another D’O in another location? Or should he pursue the even lower cost concept with a new “POP” restaurant? What factors should Oldani consider in making his decision?

Grading
The project is graded out of 30 points. You can get a maximum of 10 points for each of the 3 questions. Answer only to the three questions above, be detailed, and make sure you ground all your claims on documented evidence. The answer to each question is evaluated based on the extent to which it is relevant, logical, and fact-based. Also, do not forget to reference all important source materials in footnotes and bibliography.
APPENDIX C: INDIVIDUAL CASE MEMO

Tee Golf

Overview
You hand in a brief memo related to two business cases discussed in the course during classes 5-6 and 14-15. The case memos are individually prepared and consist of the answers to three questions related to a business case. Each case memo will be graded independently and account for 20% of the final grade.

Submission Method and Deadlines
The individual case memo is to be submitted on the online platform by Monday, March 9, 8:45am. Late submissions and submissions that do not follow the guidelines will be penalized.

Formatting Requirements
Word document of 3 pages, in which each question is answered using maximum one full page.
- Font: Times New Roman, 12-point;
- Line Spacing: 1;
- Page margins: 2.54 cm;
Points will be deducted for papers that do not adhere to these guidelines, and where there is any compression or any other font manipulation.
You can add figures, tables, and references if need be – they do not count over the page limit.

Content
The memo should provide an answer to the following three questions:
1. What will shape a bid for Tee Golf by Leonard Green Partners (LGP)? What should Kohlberg expect of such a bid?
2. What will shape a bid for Tee Golf by GoGolf (GG)? What should Kohlberg expect of such a bid?
3. As Kohlberg awaits a bid from LGP, what should be its decision rule for when to accept or reject the bid?

Grading
The project is graded out of 30 points. You can get a maximum of 10 points for each of the 3 questions.
Answer only the three questions above, be detailed, and make sure you ground all your claims on documented evidence. The answer to each question is evaluated based on the extent to which it is relevant, logical, and fact-based. Also, do not forget to reference all important source materials in footnotes and bibliography.
APPENDIX D: BUSINESS GAME
GlobStrat

Overview
GlobStrat is a comprehensive strategic management tool that enables students to explore, understand, and handle the responsibilities of a corporate executive. Over an intense period of 2 days, students work in teams and compete against other groups in a simulated market environment. In particular, GlobStrat focuses on the crucial stages of definition and implementation of a successful corporate strategy.
Additionally, GlobStrat is based on triple-bottom line evaluation criteria (Profit, Planet, and People) allowing students to explore the trade-offs behind sustainable strategic choices. In particular, firms not only have to achieve profitability (Profit), they also must ensure it is sustainable, by making the appropriate investments in Corporate Social Responsibility (People) as well as Environmental Management (Planet).

Preparation: Reading, Registration & Training
1. Reading: please, read carefully the GlobStrat User Guide. This reading is necessary in order to follow a tight schedule.
2. Registration: one week before the business game starts, all participants will need to register at: http://www.globstrat-academy.com/
   In the Register tab (please note that you’ll need to register before you can login), enter the registration code corresponding to your class, which will be communicated to you by your instructors (beware: there will be different codes for Class 6 and Class 7!)
   - ID: your Bocconi email address
   - Password: please enter six alphanumeric characters of your choice.
   Select your assigned team (Team A; Team B...), and you are ready to go. When registered, you can go back to the Login tab in the www.globstrat.com menu and take a tour.
3. Training: take a tour of the GlobStrat software and understand how it works: from Decisions to Forecast. In the Documentation tab, you may download more detailed information about each corporate function.

Grading
The final grade for the business game is based on 2 criteria:
- Team Performance (60%);
- Team Final Report presented during the final debriefing (40%).

Schedule

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<tr>
<th></th>
<th>Day 1</th>
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<td></td>
<td>Saturday 28/03 (class 6)</td>
<td>Saturday 04/04 (class 7)</td>
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<td>Sunday 04/04 (class 7)</td>
<td>Monday 30/03 (class 6)</td>
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<td>Monday 06/04 (class 7)</td>
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<tr>
<td>08.45-10.15</td>
<td>Introduction</td>
<td>08.45-09.00</td>
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<td>10.15-10.30</td>
<td>Break</td>
<td>09.00-10.30</td>
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<td>10.30-12.00</td>
<td>Practice Round</td>
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<td>12.00-13.00</td>
<td>Lunch break</td>
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<td>13.00-14.30</td>
<td>Decision Round 1</td>
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<td>14.30-14.45</td>
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<td>16.45-17.00</td>
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