

Course Code: C112
Term: AUT20
Credit Value: 10

FACULTY

Streams A, B, and C:

Colleen Cunningham, Assistant Professor of Strategy and Entrepreneurship
BA (University of British Columbia) MA (Simon Fraser University) PhD (Duke University)
ccunningham@london.edu

Streams D, E, and F

Francisco Brahm, Assistant Professor of Strategy and Entrepreneurship
MSc (PUC) PhD (Cambridge)
fbrahm@london.edu

COURSE SUMMARY

The field of strategy, and this course, attempts to address the central issue in business: why do some firms outperform other firms? It is empirically evident that there are significant profitability differences *between industries*, and there are significant profitability differences *between firms* within industries. In the three modules in this course, we will develop an understanding of what underlies such interindustry and inter-firm profitability differences.

In the first module we will systematically examine what drives inter-industry profitability differences and how firms can engage in effective strategy-making. In module two, we transition to understanding intra-industry, inter-firm profitability differences and examine the role of firm strategy in discriminating between good and bad performance. This module mainly focuses on how businesses should compete within industries. Finally, module three examines corporate strategy, i.e., which industries should firms compete in and what instruments are available to do so effectively. The course also attempts to sensitize students to the societal context within which business operates and how this might constrain the choice of strategy.

Learning Outcomes

On successful completion of this course, you will be able to:

- Develop a rigorous understanding of why industries differ in their average performance and why firms within industries differ in their performance
- Acquire a toolkit and frameworks to systematically analyse industry differences
- Develop a toolkit to analyse a company's strategy and sources of competitive advantage
- Develop an appreciation of the relationships between the various functional area courses and how they will inform the understanding, analysis, and crafting of firm strategy

ASSESSMENT

Assessment Table

Assessment type	Weightings	Group/ Individual	Release date of assessment component	Deadline
Final assessment	35%	Individual	12:00 UK time on Friday 4th December 2020	23:59 UK time on Friday 18th December 2020
Individual assignment*	20%	Individual	17:00 UK time 1 week before it is due to be submitted	17:00 UK time on the Sunday before the session in which the case is being taught*
Group assignment*	30%	Group	17:00 UK time on Monday 19th October 2020	23:59 UK time on Saturday 31st October 2020
Class engagement (via weekly quizzes)	15%	Individual	End of the prior week (by Friday at 9:00 UK time)	16:00 UK time the day before each session.

*No late submissions will be accepted as answers will be provided in the next session

Minimum Requirements to Pass

In order to successfully pass the course, students must achieve the following:

- a minimum of 50% overall; and
- a minimum of 50% across the weighted average of individual component/s excluding class participation

Late Submission Penalty

Students are expected to submit all assessments for marking by the deadline stated in this course syllabus. However late submissions are accepted for the following assessment(s) of this course:

- ***Final Assignment***

When late submissions are received for the above, the following penalties will be applied:

Type	Time period	Reduction (for the assessment)
Penalty 1	Up to 48 hours late	20% of total marks available
Penalty 2	Up to 96 hours late	40% of total marks available
Penalty 3	Over 96 hours late	Fail

The applied penalty will be calculated based on the total marks available for the assessment and not based on the score achieved by the student. Assessments that are submitted more than 96 hours after the stated deadline will not be marked and students are not entitled to individual feedback.

***Please note that the late submission penalty will not apply to the individual assignment, class engagement quizzes, or the group assignment. No late submissions will be accepted for the any of these assessments as answers will be discussed in the next session.**

Final Assessment

The final assessment will be completed over a period of two weeks with the final submission due via Canvas by 23:59 UK time on Friday 18 December 2020. You must make sure to use a consistent referencing system when completing this assessment. A full assessment brief will be provided via Canvas following your final class.

Individual Assignment

Each student will complete one individual assignment. The assignment involves answering a set of questions pertaining to a case to be discussed in class. The assignment itself will be staggered over Sessions 3 – 5. A third (33%) of the students in each stream will be randomly assigned one of the cases to complete the assignment. Students must complete the case assigned to them and may not swap the allocation. Students should draw on the case and that week's course required reading to complete the assignment. Since each assignment will pertain to the upcoming session, students completing earlier assignments will not be disadvantaged relative to those completing later assignments.

Please refer to Canvas for the allocation of students to case assignments. Because the cases will be discussed in class, the assignments must be submitted on the Sunday before the session where the case is assigned for class discussion. There will be no exceptions to this requirement and no late submissions are accepted. If you miss the deadline, you will receive a failing grade on the assignment.

Group Assignment

The group assignment – to be completed in your study group – will be due by 23:59 UK time on Saturday 31 October 2020. The assignment, and the case it will refer to, will be posted on Canvas at 17:00 on Monday 19 October 2020. The assignment involves turning in a set of PowerPoint slides reflecting an analysis of a case. While all groups are required to submit their slides, two groups will be selected to present their analysis to the rest of the class in Session 6 of the course (week commencing 2nd November).

As the group assignment will be discussed in class, there will be no late submissions accepted. If you miss the deadline, you will receive a failing grade on the assignment.

(OPTIONAL) Peer Evaluation for Group Assignments: The group assignment grades are subject to adjustment based on peer evaluation. Evaluations—using a zero-sum, point allocation form—are due at the same time as the group assignment.

For the evaluation, each of you will have the option to allocate a total pool of points to the other members of your group, where the pool is equal to $10 \times (\text{group size} - 1)$. For example, in a group of 5 each member will have 40 points to allocate across the other 4 group members. If one group member is consistently allocated very few (or very many) points by the other members in their group, their group assignment grade may be adjusted down (or up) accordingly. Note that completing the peer evaluation form is **OPTIONAL**. If you opt not to submit a form, we will presume you thought effort was approximately equal across members. More details (and the form) will be provided in class.

Class Engagement

Success in this class requires ongoing, active engagement with the course materials. In order to encourage this, we will have weekly quizzes. Each weekly set of quizzes will be due in advance of each session. We will have weekly quizzes for all sessions except session 6 (our midterm session).

There will be two quizzes each week. The first quiz is a "preparation quiz" and will be based on material for the *following* class; this quiz will help you prepare the case and review the assigned readings and any other pre-class materials (including discussion questions) in advance of class. The second quiz is a "comprehension quiz" which will test your comprehension of the concepts and frameworks from the *previous* class.

Some of the answers you provide to the preparation quizzes will be used to inform class discussion; come prepared to be asked about your answers.

The comprehension quiz will be graded based on correct answers. The preparation quiz will be graded based on completion, that is answering and submitting the quiz.

Quizzes will be posted on or before Friday mornings of the week prior to when it is due, and quizzes will be due on the day prior to the following session at no later than 16:00 UK time (for example, if a stream has a sessions on Wednesday, the quizzes are due on Tuesday at 16:00 for that stream). Notice that on the week before the first session only a "preparation quiz" will be sent, and that after the last session only a "comprehension quiz" will be sent.

No late quiz submissions are permitted, and quizzes submitted after the start of the following session will receive a zero.

Retrieval

Students are permitted one opportunity to retrieve a fail grade for a core course. This *single retrieval assessment will replace all previous assessment scores and it will evaluate a student's attainment of all intended learning outcomes.*

The retrieval assessment for this course will be a take home assignment.

The retrieval assessment will take place from 3rd of March to 17th of March 2021.

Plagiarism Declaration

All students completing this course should be aware that in submitting any assignment for this course, you agree to the following declaration:

"I certify that the coursework that I have submitted is entirely my own unaided work, and that I have read and complied with the School's guidelines on plagiarism and referencing as set out in the School handbook.

I understand that the School may make use of plagiarism detection software and that my work may therefore be stored on a database which is accessible to other users of the same software."

Students should be aware that, where plagiarism is suspected, a formal investigation may be carried out under the School's Student Disciplinary Procedure. This may result in penalties ranging from mark deduction to expulsion from the School.

Reading List

The readings for each session are detailed in the session pages; all session readings will be provided via Canvas. All materials will need to be prepared before each session.

Optional, recommended textbook

Besanko, D., Dranove, D., Shanley, M., & Schaefer, S. 2013. Economics of Strategy. 6th edition. Hoboken, NJ: John Wiley & Sons.

*This book is not a required text, but comes recommended for people who are looking for more background reading. It provides a further overview of the field of strategic management.

COURSE STRUCTURE

Session 1 – Introduction to Strategy

Required Case: The petroleum industry in the UK

Required Reading: Course information.
'What is Strategy?' Michel E. Porter, *Harvard Business Review*, November – December 1996 Issue.

Module 1: Inter-Industry Performance Differences

Session 2 – Industry Structure

Required Case: Cola Wars continue: Coke and Pepsi in 2010

Required Reading: A Note on Financial Analysis for Strategy
Besanko, D., Dranove, D., Shanley, M., & Schaefer, S. 2013. Economics of Strategy. 6th edition. Hoboken, NJ: John Wiley & Sons. Chapter 8.

Module 2: Intra-Industry Performance Differences: Business-Level Strategy

Session 3 – Strategic Positioning: Cost and Benefit Advantage

Required Case: Samsung Electronics

Required Reading: Besanko, D., Dranove, D., Shanley, M., & Schaefer, S. 2013. Economics of Strategy. 6th edition. Hoboken, NJ: John Wiley & Sons. Chapter 9.

Assignment A due by 17:00 Sunday 4th October 2020

Session 4 – Business Models

Required Case: Tesco Grocery retail in 2015, Financials 1, Financials 2

Required Reading: Besanko, D., Dranove, D., Shanley, M., & Schaefer, S. 2013. Economics of Strategy. 6th edition. Hoboken, NJ: John Wiley & Sons. Chapter 11.
Who-What-How: A Simple Business Model Framework
Watch the related videos, below

- Video 1: Strategy is about making choices
- Video 2: The most fundamental mistakes that companies make

Assignment B due by 17:00 Sunday 11 October

Session 5 – Strategic Innovation

Required Case: Tata Nano – The people's car

Required Reading: Kim, W.C. & Mauborgne, R. 2004. Value innovation: The Strategic logic of high growth. *Harvard Business Review*, 82: 172 – 180.

Assignment C due by 17:00 Sunday 18 October

Session 6 – Review and Group Assignment

Required Case: None

Required Reading: None

Group Assignment due by 23:59 Saturday 31st October (released Monday 19th October)

Session 7 – Competitive Dynamics

Required Case: British Satellite Broadcasting vs. Sky Television

Required Reading: Brandenburger, A. and Nalebuff B., 1995. The Right Game: Use Game Theory to Shape Strategy. *Harvard Business Review*, 73(4): 57-71.

Module 3: Intra-Industry Performance Differences: Corporate-Level Strategy

Session 8 – Corporate Scope

Required Case: Reawakening the Magic: Bob Iger and the Walt Disney Company

Required Reading: Besanko, D., Dranove, D., Shanley, M., & Schaefer, S. 2013. *Economics of Strategy*. 6th edition. Hoboken, NJ: John Wiley & Sons. Chapter 2.

Session 9 – Corporate Dynamics

Required Case: \$19B 4 Txt App WhatsApp...omg!

Required Reading: (This reading supplements an in-class exercise): Hansen, M. T. and Nohiria, N. How to Build Collaborative Advantage.

Session 10 – Shareholder Value vs Stakeholder Value

Required Case: Patagonia

Required Reading: None